FINANCIAL TIMES

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THE QUEEN'S AWARD TO INDUSTRY 1971 1975

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NEWS SUMMARY

GENERAL

Wilson: No early package

The Prime Minister said last night in a BBC Television interview wth Robin Day that there was no miracle cure to inflation. He virtually ruled out a package of economic measures immediately after the EEC referendum on June 5.

He said: "If there were a package that would counter inflation we would have introduced it already. There is no simple solution. This has got to be done by agreement."

Talks would be held with the TUC and CBI to see what measures could be taken "by consent." Their proposals would be discussed at next month's National Economic Development CBI meeting.

Mr. Wilson is thought to be planning a major reshuffle before Parliament reassembles on June 9 after the Whitsun recess. Back Page

NATO snub for U.S.

As President Ford spoke of a "new era of firmness" by the U.S., the American-Spanish defence agreements failed to win formal endorsements by the NATO Defence Ministers in Brussels.

Mr. Ford told European Pressmen at the White House that he sensed the U.S. might be entering a new era of firmness following the Mayaguez incident, and made clear that he wanted Britain in the EEC. Back and Page 17.

No to 'Cancel Wembley match'

Sport Minister Denis Howell rejected a call by Dr. Rhodes Boyson, Tory MP for North Brent, for a ban on to-day's England-Scotland match. "The one thing which might inflame the situation is that," he said.

Two Scotsmen said they would protest to the Race Relations Board about the railmen's continued refusal to run trains to Wembley, saying it was "racial discrimination against Scots."

Baboon heart kept baby alive

A 13-month-old boy was kept alive for 16 hours after heart and kidney failure by linking them to the heart and kidneys of a live baboon, it was stated at Harefield Hospital, Middlesex. It was "an initial success" but the baboon's heart failed and the boy died.

The first transplant of a Fallopian tube has been made at Groote Schuur Hospital, Cape Town, giving hope of pregnancy for thousands of infertile women.

Holiday threat

Holiday flights from Heathrow may be hit to-day by British Airways men stopping work to discuss a strike call on TriStar pay.

Ulster killings

Two masked men shot dead two Catholics playing cards with Protestants in Shore Road, Belfast. Later the "Protestant Action Force," which claimed responsibility for 55 deaths, said it was a reprisal for wounding a Protestant garageman.

Haile Selaissie ill

Ethiopia's military Government said that ex-Emperor Haile Selassie, who is in military custody, was ill and in constant medical care.

Lebanon

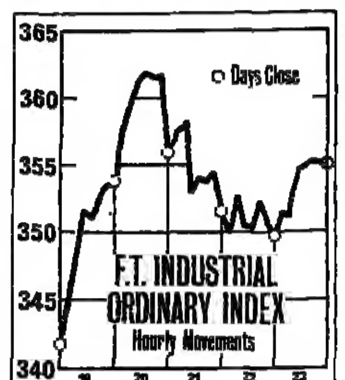
President Suleiman Franjieh of Lebanon appointed a military Cabinet after a ceasefire was announced last night in the fighting between Palestinian guerillas and Lebanese Phalangists. Page 9

N. Ireland beat Wales 1—0 in the international soccer match in Belfast.

BUSINESS

Index at 355 for 13.2 gain on week

● EQUITIES were quietly firm ahead of the Bank holiday. The FT 30-share index gained 5.3 to 355.0, only 0.9 below Tuesday's 1975 peak. Over the week, it rose 13.2. Rises led falls in FT-quoted Industrials by about



2-1, while the FT-Actuaries All-Share index improved 0.7 per cent, to 149.95. Gold Mines index was 9.1 lower at 433.2, leaving a 43.4 rise on the week.

● GILTS were again more active at the short end, where gains ranged to ¼.

● GOLD lost $1¼ to $173.

● THE £ lost 20 points at $2.3260, its depreciation staying at 24.6 per cent. Dollar's weighted average was 7.17 (7.02).

● TREASURY BILL rate rose 0.0018 per cent. to 9.4765.

● WALL STREET rose 12.99 to $31.90, following the ½ per cent. cut in prime rate to 7 per cent. by First National City Bank of New York, America's second largest bank.
Back Page

Threes 5.206 per cent. (5.115): Three 5.206 per cent. (5.115): Sixes 5.469 (5.412).

Girling to cut workforce

● GIRLING, the brake manufacturers, is to make 15 per cent. of its 6,750 workforce redundant over the next three months.
Page 17

● CUBA is seeking the equivalent of $1bn. in export credits from the U.K. between now and 1980.
Page 17

● LEAD PRICES fell on the London Metal Exchange to their lowest for over two years, with cash lead £38.5 down on the week at £153.5 a tonne.
Page 22

● CLEARING BANKS staff in England and Wales accepted a 22.5 per cent. pay rise for the 12 months from July because of pay freeze fears.
Page 17

● THE GOVERNMENT laid an order implementing the changes to the Price Code announced in the Budget. The changes, which come into effect on May 27, are aimed at boosting investment and company liquidity.

COMPANIES

● REED INTERNATIONAL pre-tax profit in the year to March 31 rose by £19.9m. to £85.4m., but the U.K. operating profit in the fourth quarter was the lowest for two years.
Page 18 and Lex

● J. W. CAMERON, the Yorkshire brewing group, is having talks with Ellerman Lines which may lead to a bid.
Page 19

● ULTRAMAR first quarter pre-tax profit was marginally higher at £5.18m. (£5.15m.) though sales fell sharply to £49.66m (£71.97m.). Page 18 and Lex

CHIEF PRICE CHANGES

(Prices in pence unless otherwise indicated.)

RISES:		
AAH	122	+ 6
Bank of NSW	695	+ 40
Barclays Bank	292	+ 7
Beecham	303	+ 5
Bowater	163	+ 7
Boots	265	+ 5
Cameron (J.W.)	110	+ 10
Comm. Bk. Aust.	293	+ 23
Dawson & Barfos	36	+ 10
De la Rue	165	+ 9
EMI	197	+ 8
Gerrard & Nat. Disc.	280	+ 15
Hardy & Co	41	+ 4
Hawker Siddeley	284	+ 10
Hay's Wharf	137	— 5
Metal Box	304	+ 7
Nat. Westminster Bk.	235	— 10
Nurdin & Peacock	85	+ 5
OK Bazaar "A"	825	+ 35
Pontin's	28	+ 3½
Racal Elect.	276	+ 9
Reed Intl.	276	+ 6
Thompson Orgn.	197	+ 9
White Child & Beney	63	+ 9
BP	472	+ 15
Siebens Oil & Gas (U.K.)	920	+ 65
Tricentrol	71	+ 7
Cons. Murchison	720	+ 20
Thiess	255	+ 21
Union Corp.	360	+ 7
Western Mining	209	+ 10
FALLS:		
Romanian 4% Cons.	£10½	— 4½
Amal. Metal	178	— 7
DRG	116	— 4
Fairclough (L.)	185 x R	— 9
Warren (J.)	94	— 6
Deelkraal	100*	— 10
Pancontinental	390	— 15
Randfontein	£33	— 1½
West Drie.	£53	— 2

* Premium.

(FT stock indices and FT-Actuaries summary Page 21.)

£8—£12.50 increases for workers

Strike leaders give mixed reception to Chrysler offer

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

Chrysler U.K. yesterday offered its 26,000 workers increases of between £8 and £12.50 a week in a bid to settle the strike by Coventry engine workers which has halted all the company's car production.

The £15m. offer was accompanied by a strong warning from Mr. Peter Griffiths, Industrial relations director, that if it was not accepted "there is no doubt in my mind that we will be looking at a rather bleak future, with major changes in size and structure of the company."

It was also made clear that the company—still in a serious loss-making situation—will have to borrow the money to finance the offer, which will add 24 per cent. to its annual wages bill.

However, improvements in productivity are looked for as an integral part of radical worker participation and profit-sharing proposals that will follow a wage settlement.

For the first time the offer is being made simultaneously to all car and commercial vehicle factories from Luton to Scotland in a determined effort to establish centrally co-ordinated negotiations in place of 53 separate ones.

There were mixed reactions from stewards at the Stoke, Coventry, plant, where 4,000 workers have been on strike for a fortnight. Mr. Bob Morris, Transport and General Workers' Union convener, thought central bargaining could aggravate the situation.

"It has put my colleagues and me in an almost impossible position," he said. "There is no room for negotiation. It's a question of whether we can accept conditions imposed by the company."

But Mr. Eddie McCluskey, secretary of the Stoke joint shop stewards committee, believed the proposals offered the basis for a return. "We think there is more money to be had but we shall have to give something to get it," he added.

The Stoke stewards who had demanded an £8 opening offer to their £15 claim, are bringing their next meeting forward to immediately after the holidays—June 2—and will call a mass meeting directly afterwards, *possibly the same day.*

Parity

The pay increases tabled provide a 15 per cent. rate increase of £8 a week—a base rate increase of £5.50 plus a "cost of living" allowance of £2.50 which qualifies for premium payments. The present £1.20 allowance will be incorporated into basic rates.

In addition, to encourage progress on discussions on the participation programme, employees will get a £50 lump sum providing certain principles contained in the programme have been agreed by July 12. There will be an additional £50 if full agreement and implementation of the programme has been achieved by the end of the year.

All female employees get equal pay for the grade or job in which they are classified. For Coventry workers the total increase is equivalent to an average rise of £10 a week over the period of the agreement.

Under the offer the company's other factories at Luton and Dunstable and at Linwood, Scotland—where nearly 4,000 are laid off—are brought nearer to parity with Coventry. This is a continuation of a programme started in 1973 which will be completed next year.

It is costing the company £2.25m. to implement this year and the same next year.

Both stewards and management at Coventry expect the outlying plants to accept the offer, planned to come into force on July 1, the start of the new contract year.

The parity move, which involves halving the differential between the outlying plants and Coventry, is worth an additional £2.50 a week to Linwood workers, whose convener, Mr. John Cary,

Continued on Back Page

Pan Am wins fight over bonus to U.K. agents

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

PAN AMERICAN World Airways has won its legal battle with the U.K. Government over its right to pay its travel agents world-wide an increased "incentive bonus" commission of 3 per cent., and will be telling all its agents over the week-end that they will get this rise.

The airline's victory over the Department of Trade came in the High Court yesterday, when Mr. Justice Donaldson ruled that Mr. Peter Shore, Secretary for Trade, had no power to stop Pan Am paying its agents whatever *it chose.*

The judge also said the DoT could not revoke or suspend the airline's operating permits as a punishment for not abiding by a DoT directive that it could only pay its agents an extra ½ per cent. commission (giving them 7½ per cent.) instead of the 3 per cent. (giving them 10 per cent.) *it wanted to pay.*

Pan Am said the ruling vindicated its original interpretation of the law and added it would go ahead with its plan to pay agents 3 per cent. more for all business they did in excess of 90 per cent. of last year's level.

The DoT said it was considering an appeal. It admitted that, in the light of the judge's ruling, it was at a disadvantage in not having the powers it originally thought it had—to control rates of commission—and might therefore have to seek those powers.

The judge's decision is likely to force a change of mind in other countries which have been trying to block the Pan Am plan. Other airlines, which hitherto have resisted the Pan Am plan and have insisted instead on a ½ per cent. rise in agents' commissions, may now have to adopt Pan Am's scheme in order not to be at a commercial disadvantage.

The battle between Pan Am and the DoT concerned not only the airline's right to pay agents bigger commissions in Britain but also its right to pay them in its own country. The U.K. had claimed "extra-territorial rights"—saying that it could insist on what agents were paid in the U.S. and elsewhere for tickets sold for flights to Britain.

Even before yesterday's ruling, however, it was apparent that the DoT was climbing down. After talks in Washington with *the State Department,* a joint statement called on the International Air Transport Association to take urgent steps to settle uniform rates of commission.

In the meantime, the statement said the British Government did not intend to take "any precipitate action in regard to Pan Am's operating permits." This was in marked contrast to the DoT's earlier threats of considering revocation of those permits from this week-end if Pan Am did not do what it was told, and the DoT's refusal in the meantime to consider its charter applications.

Mr. Justice Donaldson said: "I do not know whether the U.S. Government has the power to require Pan Am to refrain from paying agents a commission in excess of 7½ per cent., but I am fully satisfied that the Secretary for Trade has no such power."

Planning delays and rising costs put an end to Piccadilly plans

BY JOHN TRAFFORD, PROPERTY EDITOR

THE CONTROVERSIAL plans *for the comprehensive redevelopment* of Piccadilly Circus have finally been scrapped—the victim of interminable planning delays and rising costs. Stock Conversion, which owns the Trocadero site, and Land Securities, owners of the Monico site, formally abandoned their plans yesterday.

Land Securities says it will re-let existing properties on its site as they stand or after modernisation. Building on the site which occupies the north side will be confined mostly to filling in the vacant parts of the property. Trust Houses Forte, which owns the Criterion site to the south of the Circus, still hopes to go ahead with a fairly substantial redevelopment east of the Criterion Theatre.

Stock Conversion, the property *development company headed by* Mr. Joe Levy, says it has sold its leaseholds on the Trocadero site to the freeholder, the Electricity Supply Nominees (the pension fund for the electricity industry) which will modernise most of the existing buildings and do some small-scale rebuilding.

The redevelopment plans have been abandoned because no planning permission has been forthcoming for the latest scheme, which was unveiled in *May, 1972.*

As a result of that delay, the financial deal agreed in principle between the pension fund and Stock conversion expired and both parties decided to abandon the earlier proposals.

The site, bordered by Shaftesbury Avenue, Great Windmill Street, Coventry Street and Wardour Street, included the Trocadero itself, plus offices, shops, restaurants, entertainment halls and a Quality Inn.

The pension fund, which hopes to start renovation work almost immediately, intends to replace the existing short leases as they expire by longer leases granted to high-class tenants who will raise the tone of the area.

The FINANCIAL TIMES will NOT be published on Spring Bank Holiday Monday May 26.

London misses ITV blackout

By Lorelies Olslager, Labour Staff

INDEPENDENT TELEVISION in most parts of Britain went off the air yesterday for at least the week-end because of a technicians' strike, but a rank-and-file rebellion against the union leadership is enabling London Weekend to broadcast a full programme.

Tyne Tees and Westward were also broadcasting yesterday. BBC programmes are not affected by the dispute.

The strike, to last until 6 a.m. on Monday, was called by the Association of Cinematographic, Television and Allied Technicians a week ago over a pay claim. The union wants the 3,500 men to get a lump sum of £231 each for pay lost during the wage freeze. The employers say that compensation has already been made for the loss.

Mr. Alan Sapper, ACTT's general secretary, claimed yesterday that the strike was going well. It was being observed by 90 per cent. of his union members.

He also said that he had been in touch again with the Advisory, Conciliation and Arbitration Service which has been trying all week to avert the strike, but "the employers are so inflexible that no compromise is possible."

Schedules

The three companies which are broadcasting had to rearrange their schedules considerably, because they have to rely on themselves, with no programmes being supplied from the other 12 companies.

London Weekend said everything was working smoothly, and there were no problems, apart from the absence of ITN news bulletins which have been hit by the strike.

At many companies, the men met to have another vote on the strike after the rebellion at London Weekend on Thursday, when only nine of more than 300 technicians supported the union action. During the day, it became clear that for most companies, the decision would not be reversed.

The London Weekend technicians *had voted against the strike* initially, and had tried to prevent it later by asking the union to hold a headcount rather than base the strike decision on a count of how many branches were in faovur. They argued that support for the strike was strongest in the smaller branches.

When the union turned down that approach the second vote in favour of continuing work at London Weekend was taken.

The companies have threatened that they will not allow a return to work on Monday until ACTT formally drops its claim.

● Channel Television—which has a separate agreement—is not in dispute.

TALKS ON OTHER MEASURES

Import curb on textiles ruled out

BY RHYS DAVID

THE GOVERNMENT has ruled out pleas by the U.K. textile industry for across-the-board reductions in textile imports, the Prime Minister made clear in the Commons yesterday. Other measures to help the textile industry may be introduced, however, after consultations with the various sectors.

The announcement—an indication perhaps of the Government's attitude to the wider question of overall imports control—was immediately attacked as disappointing by leaders of the U.K. industry, by the unions and by the textile group of MPs.

In his statement, Mr. Wilson *said the proposals put forward* by the British Textile Confederation, representing employers and unions, for an across-the-board cut of 20 per cent. in imports over 1974, were inappropriate, ineffective and certain to lead to retaliation.

Mr. Wilson promised that the Government would be willing to *act to protect* the textile and footwear industries wherever evidence of dumping could be produced, and he said help would be given through the Industry Act after consultations with sectors of the industry.

Separate action is being taken to deal with the problems of shoe imports from Comecon *countries. In a Commons written* reply published after Mr. Wilson had spoken, Mr. Michael Meacher, Under Secretary for Industry, said an undertaking had been obtained from Poland, Czechoslovakia and Romania to reduce their exports to the U.K. this year by 5-10 per cent. on last year's levels.

Reduction

This would result in a reduction of about 300,000 pairs of men's leather shoes on the market. The position would be reviewed later in the year.

Mr. Wilson in his statement *also said that the Government* would be looking at ways in which textile production could be kept at the highest possible level through a scheme for stockbuilding and stockholding.

Dealing with problems in other industries, Mr. Wilson told Parliament that an investigation into imports of cars and colour *television tubes from Japan was* under way.

Immediate reaction from within the textile industry was that the measures mentioned by Mr. Wilson, and in particular the possibility of Industry Act assistance, would be of some help in the medium term, but would not help the industry to deal with low-capacity utilisation, short-time working, the danger of redundancies and a drift away of skilled workpeople.

There was also scepticism over whether a stockholding scheme could work in an industry as fashion-orientated as textiles.

Mr. Clifford Jupp, director of the British Textile Confederation, described the Prime Minister's statement which had been previewed in Thursday's economic debate, as "most disappointings," and a similar reaction came from textile unions and other trade bodies.

After an emergency meeting of a trade union co-ordinating committee, Mr. Fred Hague, assistant general secretary of the Amalgamated Textile Workers Union, said the Prime Minister's announcement in no way faced up to the problem of providing full-time work.

The Clothing Manufacturers and Shirt Manufacturers in a joint statement said the offer of consultation *was welcomed, but* abundant evidence had already been provided of the damage caused to the clothing industry by the flood of cheap imports.

In rejecting the case put forward by the BTC for an across-the-board reduction in imports, Mr. Wilson pointed to the world-nature of the textile recession, *and he claimed that the level of* textile unemployment in other countries, including the U.S., Germany, Belgium, Ireland and Denmark, was substantially higher than in Britain.

This point was rejected by the BTC, which said last night that extensive unemployment had been avoided in the U.K. only by short-time working.

Mr. Wilson also said that the U.K. textile industry would obtain more protection than at any time in the past as a result of talks under the GATT multi-fibre arrangement to restrict the growth in textile imports from the developing countries.

He also told MPs that, in nearly all the major textile sectors, the volume of imports in the first quarter had not increased compared with the average over the first half of last year.

Datsun accuses U.K. car makers Page 11

£ in New York

—	May 23	Previous
Spot	$2.3255-3265	$2.3270-3290
1 month	0.98-0.88 dis	0.93-0.88 dis
3 months	2.75-2.65 dis	2.92-2.87 dis
12 months	11.30-11.53 dis	11.60-11.80 dis

FEATURES

ON OTHER PAGES

For latest Share Index 'phone 01-246 8026

The week in London and New York

Indices touch new 1975 peaks

Equities managed fresh gains yesterday though they ended the week marginally under Tuesday's peak levels. By then all the major indices had pushed into new high ground for 1975 with the Industrial (30-Share) index putting up a rise of 25 points in five days: on the week it closed 13.2 points higher at 355.0.

Thus the market is now back to where it was just over a month ago (see our chart), though over the past couple of days dealing volume has slackened noticeably. Gilts have been subdued but sterling has come up a bit to a trade weighted depreciation of 24.6 per cent. Still, the world currency jitters refuse to die down; the dollar is again under pressure and this week the bullion price has taken another stride forward. Understandably, our gold mines index was very strong until profit-taking set in yesterday.

A fall of 7 per cent. in global steel output during the four months to April has served to underline the recessionary forces at work around the world, while at home the headlines have been full of company failures and near-failures. But there were some solid results from Beecham and even ICI's first quarter surfaced well ahead of most expectations. The brewers have been especially active ahead of their interim results season: Whitbread has risen 15 per cent. this week with Bass and Allied not far behind.

TOP PERFORMING SECTORS IN FOUR WEEKS FROM APRIL 24

	% Rise
Oils	+11.4
Insurance (Brokers)	+11.2
Insurance (Composite)	+10.4
Entertainment & Catering	+8.7
Food Manufacturing	+7.0
Packaging & Paper	+6.2
All-Share Index	+4.2
THE WORST PERFORMERS	**% Fall**
Household Goods	−4.1
Merchant Banks	−4.3
Property	−6.2
Discount Houses	−9.0
Chemicals	−11.5
Hire Purchase	−22.1

Motorway blues at French Kier

This wee. Town and City received further substantial support from the Pru and Barclays: Northern Commercial Trust revealed that its property lending was being supported by the Bank of England's "lifeboat" to the tune of more than £30m.; Raglan completed the sale of some French properties at a loss representing half its shareholders' funds; and Regalian Properties reported attibutable losses of over £2m. against net assets at the start of the year of £1.1m. But the group which had to announce the most acute financial troubles came from the construction rather than the property sector.

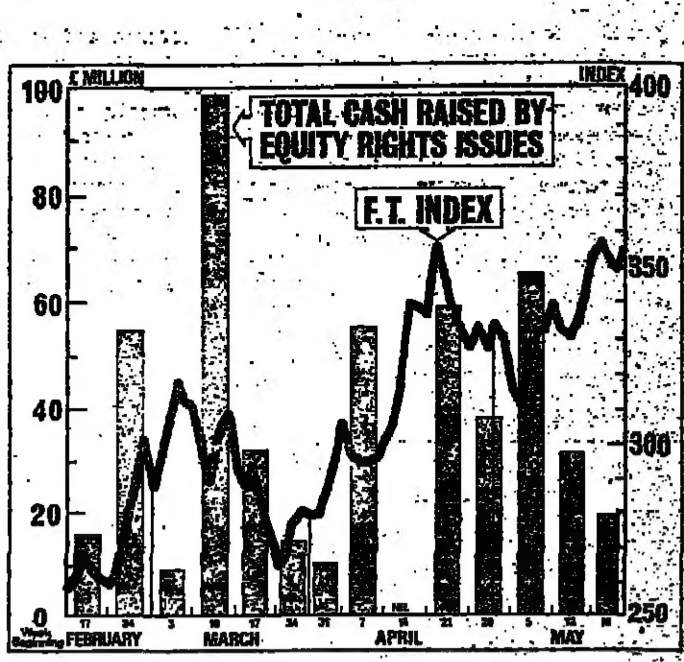
French Kier has been awarded Government grants of £9½m. plus a loan of up to £4½m. to tide it over losses on roadbuilding contracts of roughly £12m. The group's liquidity crisis has been apparent to the Board since last summer, and the first tranche of Government money came through in November. But the directors saw no reason to disclose all this until this week—a view that anyone who bought shares this year at up to three fifths above the current price may wish to dispute. Former shareholders in the still successful Kier business—which only merged with French in the autumn of 1973—may want to know why French's problems, which are not just confined to roadbuilding, were not spotted earlier. And the taxpayer may wonder whether any other companies are currently being supported by as yet undisclosed Government money.

Financing the North Sea

The North Sea sector continues to nibble away at its financing problem. Siebens (U.K.) has this week arranged a £9m. rights issue, while the more hopeful aspect of the statement from Tricentrol centres on the group's negotiations with the Government. These have resulted in £38.3m. worth of guarantees and effectively allow Tricentrol to maintain its interest in the Thistle Field. The Siebens funding has lifted its unofficially quoted shares from 600p to 920p since Monday, and the general euphoria has been washing over on to some of the group's U.K. shareholders.

Coalite and Chemical paid an initial £100,000 for an 8.3 per cent. stake in Siebens (U.K.). This is now worth over £3m. and over the past six days the Coalite equity has risen over a third. Understandably. Tuesday's 1974-75 results from the group — profits up £6.8m. to £9.6m. pre-tax—have not halted this trend, even though the earnings growth was mostly a reflection of price rises. Coalite is taking up half its entitlement to the rights: Hambros Bank is to do likewise while Phoenix Assurance has opted for 75 per cent.

As for the earnings trends at Tricentrol, the final quarter was poor and the overall pre-tax decline extends to 30 per cent. The group's year-end balance sheet tells an equally distressing story, with net borrowings running some £2m. ahead of net worth of £11.6m. The counter here, of course, is Tricentrol's stake in the Thistle field, though the shares fell a fifth this week and are currently a third below 1975 peaks. Among the more mature North Sea stocks, Thomson and Associated Newspapers have both been firm lately with Thomson at a new high for the year.



MARKET HIGHLIGHTS OF THE WEEK

	Price Y'day	Change on Week	1975 High	1975 Low	
F.T. Ind. Ord. Index	355.0	+13.2	355.9	146.0	Hopes for wage curbs
F.T. Gold Mines Index	433.2	+43.4	442.3	280.2	Recovery in bullion price
Assoc. Fisheries	35	− 6	52½	30	First-half loss
Beecham	303	+21	306	116	Satisfaction with results
Cameron (J. W)	110	+30	110	42	Bid speculation
Courtaulds	130	+14	130	53	Inv. demand; results Thursday
Cussons Group	76	+ 8	76	17	Board approves Paterson bid
Debenhams	83	+ 6	88	25	Record profits forecast
Ever Ready	91	+10	97	44	Annual results and "Rights" offer
Furness Withy	216	+17	217	111	Press comment; bid speculation
Hawkins & Tipson	80	+13	86	39	Gd. ½-yr. stmt. with "Rights" offer
ICI	284	+22	286	118	1st. qtr. figs. above expectations
Leisure Caravan Parks	69	+ 8	71	35	Increased profits
Pancontinental	390	+90	450	220	Export contract hopes
Samuel (H.) "A"	174	+19	177	68	Results/capital proposal
Sealed Motor Construction	45½	+11½	47½	16½	Rival bids from Myson & Adwest
Siebens Oil & Gas (U.K.)	920†	+295	920	80	N. Sea speculation/"Rights" offer
Silvermines	78	+26	78	27	Irish offshore oil hopes
Stag Furniture	73	+ 9	74	36	Chairman's bullish statement
Tricentrol	71	− 7	94	20	Profits setback/no final dividend
Tubes	292	+14	298	121	Market trend
Woolworth (F. W.)	49½	+ 6	55	25½	After 1st. qtr. figs.

† Nominal.

ICI's £80m. first quarter

There is general agreement that ICI's first quarter figures are better than expected, certainly in light of the recent noises coming from the company itself. Pre-tax profits at £80m. compare with £82m. in the final quarter of 1974 and with £122m. in the first three months of last year. In the event, the shares have responded well and last night had secured a gain of 22p over the week.

But the real message at ICI is that, even if the second quarter of 1975 is worse than the first (and there are plenty around who think this will be so), and the year as a whole is a disappointment, there is every indication that 1976 will be a completely different story. Du Pont has already said that its fibre business—the division that has led it down in recent history and is the area largely responsible for ICI's first quarter decline—is now spearheading recovery. The analysts take the line that when recovery comes it will come quickly. Meanwhile, there is little doubt about ICI's ability to cope with an upturn in demand.

Midland-Yorkshire's bid tightrope

Next Friday is the last day for Midland-Yorkshire shareholders to respond to the Croda bid. The original offer expired on May 9 leaving Croda with some 47 per cent. of the voting shares. Obviously Croda must have high hopes of acquiring the necessary 68,785 shares to gain control, but the exercise is by no means straightforward. The remaining stock is virtually all in firm hands and it seems doubtful that Croda can obtain the number of shares required from private holders. The institutions therefore hold the whip hand and present market thinking is that Croda will have its work cut out to convince them.

However, the current market price for M-Y is 425p, or 65p below the Croda share offer, and if the bid fails Midland-Yorkshire's shares may lack support even at this level.

It is easy to understand the confidence in the Croda stock—a quick look at the record is sufficient. M-Y on the other hand has been very erratic although the management feel confident enough to forecast virtually 12 months ahead with profits predicted to rise from an expected £2.57m. in 1974-75 to £3.2m. for 1975-76. Croda has intimated that trading is becoming difficult.

The bid approach has clearly revitalised the M-Y management but Croda's proven team and strong share price trend look to make it a better long term bet.

Onlooker

THE WEEK IN WALL STREET

Beware of bulls

BY GUY DE JONQUIERES

THE CASE for caution expounded in this column last week continues to be reinforced by events. Several amber lights, such as have preceded downward corrections in the past, are now blinking rather brightly. But despite a slight mid-week retreat, the market has not as yet displayed any reaction to them.

According to the latest figures, short interest rose three per cent. in the month ended May 15 to an all-time high. This is supposed to be bullish because bears will be forced to cover at some point, thereby creating demand for the shares they have shorted and pushing prices upward.

But a closer look reveals a substantial fall in short interest for a good many glamours which have performed well in the current rally, including Avon, Kodak, IBM, Kresge, Polaroid and Sears. This suggests that the short "safety net" under these shares is sagging and that they may get less-than-average support in a downward market from the institutions that have made them their own.

Another classic signal is the recent return in force of small investors, reported by retail brokerage houses across the country. Small investors may not always be wrong, but they have chosen to buy just before the market peaked often enough in the past to warrant caution. A sizeable amount of their money seems to be going into some of the more speculative stocks which have little institutional following, such as Occidental Petroleum, which was very heavily traded indeed earlier this month.

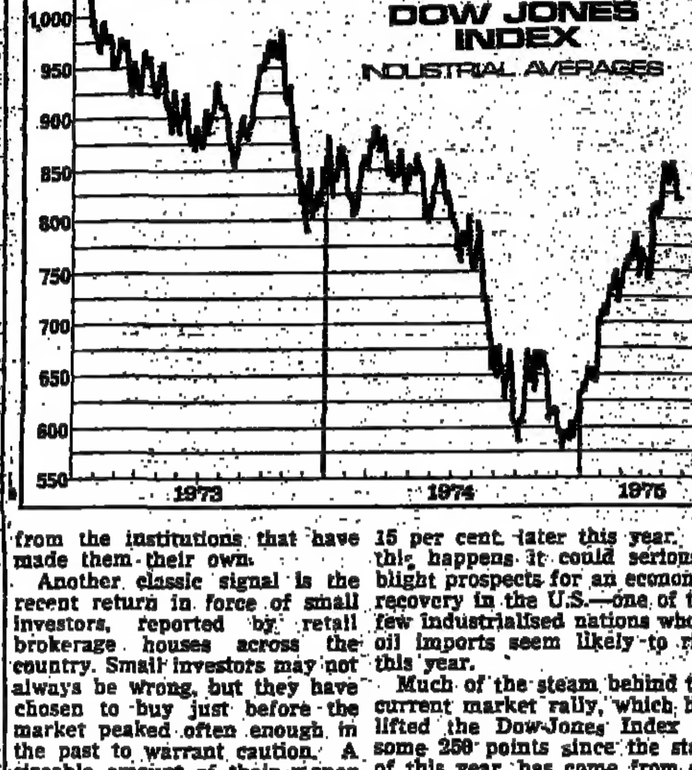
Looking to fundamentals, the market has been encouraged by the continued slide in short-term interest rates, which led First National City Bank to cut its prime to seven per cent. yesterday. This drop, unexpected even six weeks ago, is attributed mainly to a more aggressively relaxed posture by the Federal Reserve.

But less, encouragingly, it is also the result of falling loan demand at big city banks. This is not a good omen in the weeks preceding the start of an anticipated economic recovery. One might be more tempted to play down its significance if it were not for the emergence of numerous indications that the expected recovery will be slower than had been hoped for.

The car market remains in the doldrums, and unless it picks up soon Detroit will be forced to make new production cutbacks, adding to the unemployment rolls in an industry that has already laid off almost 200,000 men. The other main leading component in classic recoveries, housing, is also weak. Though some signs of recovery are starting to filter through in the industry, they are well behind schedule.

The other large cloud of uncertainty on the horizon is oil prices. Evidence is now accumulating fast that the OPEC nations are contemplating a further increase of perhaps 10 to 15 per cent. later this year. If this happens it could seriously blight prospects for an economic recovery in the U.S.—one of the few industrialised nations whose oil imports seem likely to rise this year.

Much of the steam behind the current market rally, which has lifted the Dow Jones Index by some 250 points since the start of this year, has come from expectations of an economic upturn aided by easier money policies. There are grounds for believing that Wall Street has not yet recognised that the outlook is now less bright than it was a few months ago, and that it may be in for a sizeable correction if and when it does.



DOW JONES INDUSTRIALS

Day	Change	Close
Monday	+ 0.08	837.69
Tuesday	− 7.20	830.49
Wednesday	−11.81	818.68
Thursday	+ 0.23	818.91
Friday	+12.99	831.90

MINES IN THE NEWS

Golds go softly, softly to all-time high

BY KENNETH MARSTON

NORMALLY when Gold shares decide to stage an advance they do so with great gusto. Prices leap merrily ahead and such is the size of them these days that gains of £1 or more are regarded as commonplace. Business broadens and a special kind of thrill runs through the market.

This week, however, the advance which has taken prices to all-time peaks has been almost sedate. While our Gold Mines index had climbed 52.5 to a record 442.3 by Thursday—it reacted to 433.3 yesterday—there was no major expansion in business. There are two good reasons for this, particularly as far as U.K. investors are concerned.

Dollar premium

The first lies in the strength of the investment dollar premium which has moved up from 101.5 per cent. to over 105 per cent. The rise in the premium is automatically reflected in London share prices and, at the same time, it tends to put off U.K. buyers who have to face a 25 per cent. surrender of the premium on a sale and who are fearful of the possibility of this "surrender tax" being increased.

But the major reason why Golds have kept their cool is the fact that while the metal price has moved up $8.50 to $174.50 per ounce at one time, it is still way below last year's peak of just under the magic $200 level. And with continuing inflation gold mine earnings are running at below those of the buoyant final quarter of last year. What the market needs, therefore, is a further sustained recovery in the bullion price.

Even so, the gold miners are still doing very nicely in sharp contrast with the base-metal producers. The price of copper, for instance, is below production costs in many cases. Amerca's Copper Range, which is proposing to merge with Amax has made an increased loss in the first quarter of this year. And a further fall in earnings has been reported by the giant Kennecott.

Rio Tinto-Zinc, which is still dependent on copper for a major slice of its profits expects them to be "substantially down" this year. Stating this at the London meeting this week the chairman, Sir Val Duncan, has pointed out that because it is almost impossible for new mines to be financed and brought into operation at anything like the current metal price levels, there is going to be "an upswing to unprecedently high prices when trade recovers."

The question is, when? Sir Val doesn't see much happening this year. However, if the U.S. economic revival develops, 1976 could bring a different story and this would mean a nice timing for the start of production then of Union Miniere's new Thierry copper mine in Ontario.

Thierry is a relatively small mine with a proven ore reserve of 12.5m. tons grading 1.73 per cent. copper, but there are hopes of much greater tonnages of ore in the neighbouring geological structure which is now being studied. If these hopes are realised, therefore, the operation could have a much longer life than the current minimum expectation of some 10 years or so.

'Tanks' sits pretty

A stake of 17.6 per cent. in Union Miniere is held by Tanganyika Concessions. This holding together with the Benguela Railway subsidiary in Angola, provides the bulk of "Tanks" income which amounted to a net £2.88m.—before an extraordinary credit of £2m. due from the Benguela capital recoupment fund—in the year to December 31. The 1974 dividend is now brought up to 13p with a final of 7.5p. For the five months to end-1973, "Tanks" paid 5.5p.

The shares have doubled in price this year, being helped by the speculative spice of the company's North Sea oil exploration interests. It is a comforting situation to have the possibility of exploration success while retaining the solid backing of overseas earnings from the strongly financed Union Miniere.

And as Sir Val Duncan said of RTZ this week, "it is not unsatisfactory" that so much of his group's earnings come from overseas countries which appear to have passed the peak of their inflation.

The London-based tin companies, as I mentioned the other week are still enjoying reasonably good metal prices and their overseas income provides something of a hedge against the problems of sterling. This week Tronoh, in which Charter Consolidated holds 29.7 per cent., has reported 1974 net profits of £1.53m. compared with only £0.42m. in the previous year. As already announced, the 1974 dividend total has been raised to 4.02p from 2.975p.

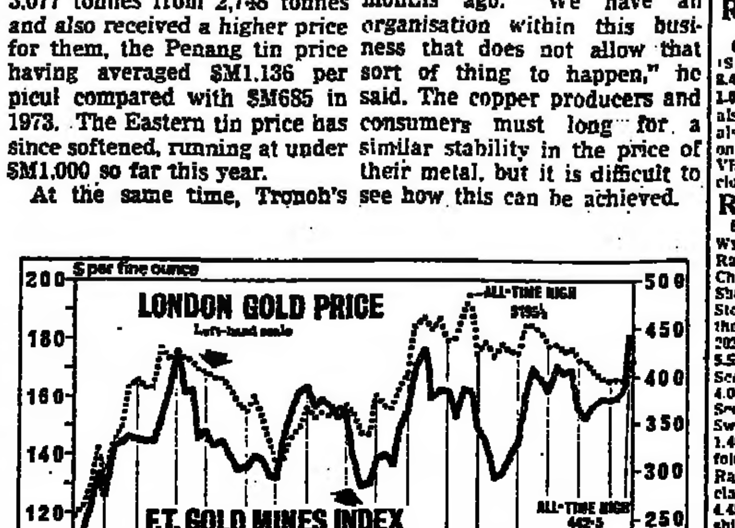
Last year Tronoh lifted its production of tin concentrates to 3,077 tonnes from 2,748 tonnes and also received a higher price for them, the Penang tin price having averaged $M1,136 per picul compared with $M685 in 1973. The Eastern tin price has since softened, running at under $M1,000 so far this year.

At the same time, Tronoh's production has also fallen off to 895 tonnes for the past four months compared with 1,158 tonnes in the same period of 1974. Earnings will thus be following a similar pattern, but provided that there is no worsening in the situation the dividend total should be safe enough, being covered by earnings of 14.9p per share last year.

Diamond points

Finally, the latest comment on the diamond situation from Mr. Harry Oppenheimer, chairman of De Beers, is that while the market for large stones is still difficult, that for the smaller gems is "not at all bad." He has also pointed out that the natural shortage of large diamonds—the proportion being mined is tending to fall—will make itself felt in time. So the Central Selling Organisation is not worried about having to stockpile substantial quantities of these gems.

He has also pointed out that while both copper and diamonds are suffering from over-production at the moment, diamond prices have been kept up while copper is now only a third of the price obtaining a few months ago. "We have an organisation within this business that does not allow that sort of thing to happen," he said. The copper producers and consumers must long for a similar stability in the price of their metal, but it is difficult to see how this can be achieved.



TV Radio

Because of an industrial dispute some ITV programmes may not appear.

† Indicates programme in black and white.

BBC 1

9.00 a.m. Barnaby. 9.15 Lassie's Rescue Rangers. 9.25 Why Don't You. †10.00 Happy Times and Jolly Moments. 10.15 Bugs Bunny. 10.30 Camp Runamuck. 10.55 Weather. 11.00 Golf: Penfold PGA Championship.
12.20 p.m. Grandstand: 12.35 Football Focus; 1.05, 1.50 Golf from Royal St. George's Golf Club, Sandwich—Penfold PGA Championship; 1.30 Ice Hockey; 2.30 Football: England v. Scotland, 4.50 Final Score including post-match Wembley interviews, cricket scoreboard and racing results.
5.05 Sing A Song Of Emu.
5.35 News.
†5.45 Sport/Regional News.
5.50 Harlem Globetrotters.
6.30 The Black And White Minstrel Show.
7.15 Saturday Night at the Movies: "Dodge City," starring Errol Flynn.
9.00 The Val Doonican Show.
9.50 News.
10.00 Cannon.
10.50 International Match of the Day.
11.50 Storyteller: Sheila Hancock tells "Fur" by Saki.

All Regions as BBC-1 except at the following times:—

Wales—9.35-10.00 a.m. Teliffant.

Scotland—†12.00 a.m. Scottish News Summary.

Northern Ireland—5.45-5.50 p.m. Northern Ireland News and Sport. 12.00 a.m. Northern Ireland News Headlines.

BBC 2

†7.40 a.m. to 2.20 p.m. Open University.
†2.45 Saturday Cinema: "Carrington, VC." starring David Niven and Margaret Leighton.
4.20 Golf: Penfold PGA Championship.
7.15 By Violent Means.
7.50 News and Sport.
8.10 Looking for Clancy.
9.00 2nd House 2nd Run.
10.30 Network.
11.00 News on 2.
11.05 Film Night Special: reports from the Cannes Film Festival.
11.35 Midnight Movie: "Five Golden Dragons," starring Bob Cummings.

LONDON

9.00 a.m. The Unguarded Moment. 9.25 Play Guitar. 9.30 Saturday Scene. 10.20 The Addams Family. 10.50 Junior Police Five. 11.00 Rock on with 45.
11.35 Tarzan. 12.30 p.m. World of Sport; On the Ball; 1.00 News from ITN; 2.35 Soccer—England v. Scotland; 4.55 Results Service.
5.10 Betty Boop.
5.20 Movie Only.
6.20 The Adventure Film: "Gunfight at Comanche Creek," starring Audie Murphy.
8.10 Sale of the Century.
8.40 Thriller.
10.10 Candid Camera.
10.30 "Drop Dead Darling," starring Tony Curtis.
12.35 a.m. Against The Odds.

All ITV Regions as London except at the following times:—

ANGLIA

9.50 a.m. Woobinda—Animal Doctor. 10.15 Tarzan. 11.15 Never Go With Strangers. 6.20 p.m. Sale of the Century. 6.50 The Saturday Night Film: "Moon Zero Two" starring Warren Mitchell. 8.40 Tarbuck—And All That! 9.10 Thriller. †10.45 The Saturday Late Film: "The File On Thelma Jordan" starring Barbara Stanwyk and Wendell Corey. 12.30 a.m. At The End Of The Day.

ATV MIDLANDS

9.15 a.m. Gardening Today. 9.45 Play Guitar. 10.10 Tiswas. 5.15 p.m. Sale of the Century. 5.45 New Faces. 6.45 Saturday Night at the Movies: "The Assassination Bureau" starring Oliver Reed, Diana Rigg, Telly Savalas and Curt Jurgens. 8.40 Tarbuck—And All That! 9.10 Thriller. 10.45 The Late Movie: "The Lion" starring William Holden and Trevor Howard.

BORDER

10.00 a.m. The Unguarded Moment. 10.30 The Yellow House. 10.55 Roses Cricket: Lancashire v. Yorkshire. 6.20 p.m. Sale of the Century. 6.50 Saturday Film: "The President's Plane is Missing" starring Peter Graves. 8.40 Tarbuck—And All That! 9.10 Thriller. †10.45 Saturday Late Film: "Scandal Sheet" starring Broderick Crawford.

CHANNEL

6.20 p.m. Sale of the Century. 6.50 The Saturday Film: "The Lost World." 8.40 Tarbuck—And All That! 9.10 Thriller. 10.35 The Korda Classics: "Catherine the Great."

GRAMPIAN

10.30 a.m. The Unguarded Moment Show. 11.00 Islo's Island. 5.20 p.m. Sale of the Century. 5.50 New Faces, followed by Highland League and Shinty results. †6.50 The Saturday Movie: "Witness For The Prosecution" starring Tyrone Power, Marlene Dietrich and Charles Laughton. 8.40 Tarbuck—And All That! 9.10 Thriller. 10.45 Wagon Train. 12.10 a.m. Evening Prayers.

GRANADA

9.25 a.m. The Unguarded Moment. 9.40 Play Guitar. 10.10 Cartoon Time. 10.25 Shang a Lang. †10.45 Pete Smith. 10.55 Roses Cricket—Lancashire v Yorkshire. 6.20 p.m. Sale of the Century. 6.50 The Big Film: "The Wrong Box" starring Michael Caine, Nanette Newman and Peter Cook. 8.40 Tarbuck—And All That! 9.10 Thriller. †10.45 Appointment With Fear: "House of Dracula" starring Lon Chaney, Jnr. †12.00 Delta.

HTV

9.40 a.m. Play Guitar. 10.05 Funky Phantom. 10.30 Sesame Street. 6.20 p.m. The Six Million Dollar Man. 7.15 Sale of the Century. 7.45 Kung Fu. 8.40 Tarbuck—And All That! 9.10 Thriller. †10.45 The Saturday Film: "Drum Crazy," starring Sal Mineo.

HTV Cymru/Wales—As HTV General Service except: 7.15-7.45 a.m. Sion a Sian.

SCOTTISH

10.05 a.m. Play Guitar. 10.30 The Unguarded Moment. 11.00 Great Little Trains of Wales. 5.20 p.m. Sale of the Century. 5.50 Tarzan. 6.45 Feature Film: "Murderers' Row" starring Dean Martin. 8.40 Tarbuck—And All That! 9.10 Thriller. 10.45 Late Call. 10.50 Mystery Movie—Hec Ramsey.

SOUTHERN

9.15 a.m. Play With A Purpose. 9.45 Play Guitar. 10.10 Regional Weather Forecast. 10.13 Woody Woodpecker. 10.20 London Bridge. 10.45 Rock On With 45. 11.15 Southport. 5.20 p.m. TV Champions. 6.15 Sale of the Century. 6.45 The Saturday Film: "Donovan's Reef," starring John Wayne, Lee Marvin and Dorothy Lamour. 8.40 Tarbuck—And All That! 9.10 Thriller. 10.45 Kung Fu. 11.40 Southern News. 11.50 Talking About Opera.

TYNE TEES

9.30 a.m. Play Guitar. 10.00 The Unguarded Moment. 10.25 Dodo The Space Kid. 10.30 Woobinda. 10.55 Roses Cricket. 6.20 p.m. Sale of the Century. 6.50 The Main Feature: "The President's Plane is Missing," starring Peter Graves. 8.40 Tarbuck—And All That! 9.10 Thriller. †10.45 Movie Through Midnight: "Fanatic," starring Tallulah Bankhead. 12.25 a.m. Two Poems by William Wordsworth read by Maxwell Deas.

ULSTER

6.20 p.m. Sale of the Century. 6.50 Saturday Movie: "Sheriff of Fractured Jaw," starring Kenneth More and Jayne Mansfield. 8.35 Summer Sport. 8.40 Tarbuck—And All That! 9.10 Thriller. 10.45 The Late Film—Columbo.

WESTWARD

10.25 a.m. Gardening Today. 10.50 Look and See. 10.55 Sesame Street. 11.55 Rock on with 45. 12.25 p.m. Gus Honeybun's Birthdays. 12.30 World of Sport. 1.00 Cartoon. 1.05 World of Sport. 5.10 Cartoon. 5.20 Robinson Crusoe. Personal View with David Niven. Film: "The Lost World." 8.40 The Game. 9.35 The Protectors. 10.05 Cartoon. 10.15 Korda Classics: "Katherine The Great." 11.50 Faith for Life.

YORKSHIRE

10.00 a.m. The Unguarded Moment. Dodo The Space Kid. 10.30 The Osmonds. 10.55 Roses Cricket—Lancashire v. Yorkshire. 6.20 Sale of the Century. The Main Feature: "The President's Plane is Missing," starring Peter Graves. 8.40 Tarbuck—And All That! Thriller. 10.45 Movie Through Midnight: "The Patient Vanishes," starring James Mason.

RADIO 1 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 8.06 Ed Stewart (S); also on VHF with Junior Choice. 9.45 Headline Spotters. 10.00 Rosko. 1.00 p.m. Carl Douglas's Top Twelve (S); also on VHF. 2.00 Alan Freeman (S); also on VHF. 5.00 John Peel (S); also on VHF. 6.30 In Concert (S): also on VHF. 7.30 As Radio 2 until 12.33 a.m. closedown.

RADIO 2 1,500m and VHF

6.00 a.m. News Summary. 6.02 Bruce Wyndham (S) with The Early Show. 8.03 Racing Bulletin. 8.06 As Radio 1. 10.02 Charlie Chester: Your Smiling Saturday Show (S). 12.02 p.m. The Fred Astaire Story, part 10. 1.02 Tony Brandon with the Family Brandon: 1500m. only (also 202m. Scotland) VHF joins Radio 1. 1.30-5.55 Sport on 2: 1500m. only (also 202m. Scotland) VHF joins Radio 1. 1.30, 3.00, 4.00, 5.00 Football featuring England v. Scotland: 1.50, 2.10, 2.35, 3.45, 4.45, 5.15 Swimming: World Championship Trials: 1.40, 2.10, 2.35, 3.45, 4.45, 5.15 Golf: Penfold PGA Championship: 1.40, 2.00, 2.25 Racing from Kempton plus results with a classified check at 5.45: 1.45, 2.35, 3.45, 4.45, 5.45 Cricket: The County Championship: news of Rugby Union Australia v. England: Royal Windsor Horse Show: preview of the 1975 Milk Race and news from Zolder on the eve of the Belgian Grand Prix. 6.03 Star Sound: 1500m. only (also 202m. Scotland) VHF joins Radio 1. 7.02 Hello Cheeky: 1500m. only (also 202m. Scotland) VHF joins Radio 1 (S). 7.30 Cricket Scoreboard. 7.32 Radio Two Top Tunes (S). 8.30 Saturday Night with the BBC Radio Orchestra (S). 10.02 European Pop Jury. 11.02 Sports Desk. 11.05 Alan Dell with Music Through Midnight (S) including 12.00 News. 12.33 a.m. News Summary.

RADIO 3 464m, Stereo & VHF

8.00 a.m. News. 8.05 Saturday Overture (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release: Mozart (S). 11.00 Live from Tokyo: BBC Symphony Orchestra in Japan, from the NHK Hall, Tokyo, by courtesy of the Japanese Broadcasting Corporation: Debussy, Boulez (S). 11.45 The Positive World. 12.05 p.m. BBC Symphony Orchestra Concert, part 2: Stravinsky (S). 1.00 News. 1.05 The Young Idea (S). 2.00 Man of Action: Sir Alan Bullock, Master of St. Catherine's College, Oxford, chooses records (S). 3.00 Matinee Musicale (S). 4.00 Choral Music: Holst, Joubert, Walton, Fleischmann (S). 4.30 Jazz Record Requests (S). 5.10 Concert from the Kendal Festival, part 1: Kabalevsky, Shostakovich (S). 5.55 Interval Reading. 6.00 Concert, part 2: Schubert. 7.10 Critics' Forum. 8.00 Bath Festival 1975, part 1: Haydn, Iain Hamilton (S). 8.00 An East German Poet in England: Gunter Kunert reads from his English Poems. 9.00 Concert, part 2: Beethoven (S). 9.45 Petrarch and Music (talk) (S). 10.45 Gabrieli and Hindemith concert (S). 11.20 Mrs. Caudle's Curtain Lectures. 11.25 News.

Radio 3 VHF only—6.00-8.00 a.m. Open University.

RADIO 4 434m, 330m, 285m and VHF

‡ Medium Wave only

6.30 a.m. News. 6.32 Farming To-day. 6.50 Outlook; VHF Regional News. 6.55 Weather, programme news. 7.00 News. 7.10 On Your Farm. 7.40 To-day's Papers. 7.45 Outlook. 7.50 To-day. ‡7.50 Keep Fit for All the Family (VHF) Regional News. 7.55 Weather and programme news. 8.00 News and more of To-day with Sportsdesk at 8.30. 8.40 To-day's Papers. 8.50 Yesterday in Parliament. 9.00 News. 9.05 From Our Own Correspondent. 9.30 The Week in Westminster. ‡10.00 News. ‡10.02 The Weekly World. ‡10.15 Daily Service. ‡10.30 Pick of the Week. ‡11.30 Science Now. 12.00 News. 12.02 p.m. Vilem Tausky introduces Music of Vienna. ‡12.55 Weather, programme news VHF (except London and S.E.) Regional News. 1.00 News. 1.15 Any Questions? ‡2.00 Man of Action: Sir Alan Bullock (As Radio 3). ‡3.00 Matinee Musicale: as Radio 3. ‡4.00 News. ‡4.02 Fourth Dimension. 5.00 PM Reports. ‡5.55 Weather, programme news VHF (except London and S.E.) Regional News. 6.00 News. 6.15 Stop the Week with Robert Robinson. 7.00 News. 7.02 Desert Island Discs. 7.30 These You Have Loved (S). 8.30 Saturday Night Theatre: "Alibi for a Judge" (S). Weather. 10.00 News. 10.15 A Word ... 11.00 Lighten Our Darkness. 11.15 News.

Open University: VHF only—9.05 a.m.-12.00 and 2.00-5.00 p.m.

BBC Radio London 206m and 94.9 VHF

6.00 a.m. As Radio 2. 7.32 Good Fishing. 8.00 Saturday Scene. Three's Company. 11.30 It's Saturday. 2.02 p.m. Close Up. 2.30 The Other F... gramme. 6.00 News and Sport. 6.02 Radio 2 until closedown.

London Broadcasting 261m and 97.3 VHF

7.00 a.m. Music in Stereo. 8.00 Saturday with Gillian Strickland. 10.00 Jellybone with Jean Davies. 12.00 Best of LBC. 1.00 p.m. Newswatch. 1.30 Sportswatch. 6.00 Newswatch. 6.30 Artsweek. 9.00-12.05 a.m. Nightline with ...

Capital Radio 194m and 95.8 VHF

7.00 a.m. Kerry Juby. 9.00 Capital Countdown with Roger Scott. 12.00 American Pie with Tommy Vance. 2.00 p.m. London Link. 6.00 Soul Spectrum with Greg Edwards. 10.00 Tommy Vance with one hour ... 12.00 The Late Show. 2.00 a.m. Night Flight with Sarah Ward.

Your savings and investments

More pensions interest

BY ERIC SHORT

THIS WEEK has been one of considerable activity in the pensions field. The Government has revalued the old-age pensions in an endeavour to maintain its level compared with the earnings of those working and it has announced a further amendment to the Social Security Pensions Bill to ensure a working partnership between State and private pension schemes.

The provision of a pension will be for many people the most important savings undertaking in their lifetime and for the majority it is an involuntary form of savings. Pension contributions have to be paid, both to the State and to the employer's pension scheme whether one likes it or not, and they will take a sizeable slice from his earnings.

At present, employed persons are paying 5½ per cent. of their earnings up to £69 per week to the National Insurance fund on which there is no tax relief. Under most private pension schemes, the employees' contributions are in the 5-6 per cent. range, but this qualifies for tax relief at the individual's top rate.

Therefore it should not come as a complete surprise to discover that by the time a person retires, the value of his pension benefits can account for one-third of his total wealth—a point discussed in these columns a couple of weeks ago. With so much at stake, people should take a keen interest in both the pension provision being made and how their savings are being invested.

For although attitudes are changing rapidly in the pensions field, many employers still adopt a paternalistic attitude towards pension provision. They will not discuss benefit levels with employees and their representatives. They give little or no information on the progress of the fund. Yet once the Social Security Pensions Bill becomes law (and this could get Royal Assent by July), many employers will have to make far-reaching decisions on the future of pension provision for their employees. The latter should have at least some say in making those decisions.

Two areas are of supreme importance as far as employees are concerned. Employers will have to decide whether to provide a second pension for employees through a private scheme or do it through the state. As far as employees are concerned, state provision bases pensions on earnings up to a ceiling of one and a half times national average earnings. The feature of the state scheme is that the higher the earnings, the lower the ultimate pension expressed as a percentage of earnings; and this proportion falls away rapidly above the ceiling. For higher paid employees an adequate pension can only be provided by a private scheme.

Employees in private schemes have their contributions invested for them either in a private fund or through a life company. One would think that it was essential that they had some say in how the money is invested. Admittedly, the subject is complex, but many pension consultants now publish an investment monitoring service, which employers and employees would find a great help. This week Willis Faber Advisory Services launched their scheme, while Harris Graham and partners already publish periodically a detailed review of the pension investment market.

Bonus cuts

A FURTHER casualty of last year's market collapse came to light this week when it was discovered that Slater Walker Insurance had passed the 1974 bonus on its Guaranteed Security Bonds. However, a study of the nature of this policy shows that such action was virtually unavoidable in the light of conditions at the end of 1974.

The bonds are open-ended single premium contracts with guaranteed death benefits and bonuses declared annually as a percentage of this sum plus all accrued bonuses. The bonds may be cashed at any time at a high guaranteed level. For instance, after five years the return is at least the amount of the original investment plus all bonuses.

Last year's collapse in the stock and property markets could well have resulted in the value of the underlying fund—which is a three way mix of equity, property and fixed-interest, falling close to or even below the aggregate value of the guaranteed cash-in value of all these bonds on SWI's books. In such an event the actuary would be acting both prudently and equitably towards other policyholders in "zero-rating" the bonus for these bonds. Bonus rates for regular premium contracts have not been affected, for the problems are somewhat different. But the market recovery this year has probably lifted a load from the SWI's actuary's shoulders.

American funds

BY CHRISTOPHER HILL

WITH THE help of *Money Management's* figures, I have been taking a look at the performance of unit trusts with a large North American orientation this week. The first point is that, where one year performance is concerned, the U.S. funds show up quite well with GT U.S. and General among the leaders and Hill Samuel Dollar also in the upper echelon.

This obviously had a lot to do with the better record of Wall Street in 1974 by comparison with the U.K. But this year the position is reversed and with the exception of M and G American (plus 57.1 per cent.) and Stewart American (plus 84.4 per cent. up to May 1) the performance of U.S. funds has lagged well behind that of funds linked to the U.K. market.

But even discounting the more sedate upward movement in Wall Street it is difficult to read much into the comparative performance of U.S. orientated funds. For a start, one really needs to have up-to-date information about the exposure of each trust to the investment currency premium. This is up by more than 30 points since the beginning of the year and clearly the trusts with a high premium content are vulnerable to a downturn.

Then there is the extent to which a fund is expanding to take into account. Lawson Securities' Lawson American Fund is an example. Since Lawson took the fund over from Ansbacher's it has quadrupled in size from £200,000. The impact of this volume of new money on a tiny fund is bound to make it difficult to perform and the real worth of the investment policy will only become apparent when the fund settles down.

Higher charges

THERE ARE tentative moves afoot in the unit trust industry to press for higher maximum charges. This has always been a subject for discussion, although the unit trust managers cannot act of their own accord for the permitted level of charges is a matter for the Department of Trade. The latter has tended in the past to be sceptical, taking the line that annual charges will inevitably swell as a percentage of growing asset values and that there is already an element of flexibility. The maximum charges amount to 13½ per cent. of assets over a 20-year period which leaves the managers free to decide whether to take a 5 per cent. initial charge and ½ per cent. per annum or 3¼ per cent. initially and ¾ per cent. per annum.

Market recovery

But the managers now appear to take the line that even with the recent recovery in the stock market and its impact on fund values, they need a higher maximum charge because they are still not back to where they were in 1972—particularly when inflation is taken into account. They still seem to want set limits, however, for the experience of rival investment media in bad times has shown that it is not a bad thing to be able to say that the industry is completely regulated. At one time there was a current of opinion which said that now the unit trust industry had "grown up" there was no need for its hand to be held on charges.

No one likes higher charges and clearly the industry has been holding its fire until there were larger numbers of satisfied unitholders around. And the demand will probably be for a modest 5 per cent. initial/½ per cent. per annum combination. But in terms of revenue that sort of upward adjustment would be huge where the large groups were concerned.

The possible impact of index-linking

BY CHRISTOPHER HILL

ONE SIGNIFICANT event which has largely escaped notice amid the flood of news about the Common Market referendum is the forthcoming introduction of the index-linked Retirement Certificate on June 2—to be followed by the index-linked Save As You Earn Scheme on July 1.

A great deal has happened since August last year when the Government first accepted the idea of a "modest" experiment along the lines originally suggested by the Page Committee and one wonders whether the Government would have been so keen if it had foreseen that it might well be paying out 20-25 per cent. per annum to savers if inflation goes on at the present rate.

Certainly it seems as if the schemes are going to be popular and there is no turning back at this stage. The forms are printed and the National Savings movement is already getting a substantial volume of pre-launch enquiries.

This indicates that the experiment might not be nearly so "modest" as was visualised originally and the biggest potential impact is from the SAYE scheme which is available to everyone over 16 whereas the retirement certificate is limited to £500 a person and is available only to pensioners. But both are apparently better deals than can currently be obtained in the fixed interest context.

To refresh memories—the retirement certificates have a life of five years and will attract a 4 per cent. bonus on the purchase price as well as being revalued on a monthly basis in line with retail prices index. The only snag is that if they are surrendered before the first anniversary of purchase, only the nominal value will be repayable. Otherwise, the scheme guarantees that the saver will never get back less than the purchase price and the certificates are free of income tax and capital gains tax.

The last two advantages also apply to the SAYE scheme which is available to people who already have SAYE plans, though there are no transferral arrangements. The rules are the same for the new SAYE plan as for previous plans (the maximum monthly contribution is £20 a person). But if the saver fails to complete his five-year term he will, except in the case of death, get only his contributions back plus a 6 per cent. interest rate if he has held on for over a year. Alternatively, he can hold on for seven years and get a bonus equal to two months contributions on top of the index-linking.

Apart from the potentially embarrassing question of how much it will all cost and who is going to do the paying, the main drawbacks to both schemes is that they do not provide current income. This is where the private providers of lump sum and contractual savings schemes draw comfort—for the trend in the savings sector at the moment is still to go as much as possible for high income.

This is why the building societies have been attracting unprecedented amounts of cash this year for—as the accompanying table shows — building societies' share accounts still provide the basic rate taxpayer with the highest fixed interest return currently obtainable from a flexible investment. Local authority "yearling bonds" also look attractive—especially to the non-tax payer—but are not as flexible.

But the real missing factor in the savings scheme at the moment is the disappearance of the clearing bank deposits as an effective competitor. The basic 6½ per cent. becomes very unattractive to people at higher tax rates, whereas the new index-linked schemes are attractive to non-tax and higher rate payers alike. And the retirement certificate at least cannot be accused of being particularly inflexible—the index linking comes into effect after the first year for people who are forced to withdraw.

What one thinks about the investment prospects of the schemes clearly depends on one's view of the Government's ability to control inflation. Not everyone approves of the principle of index-linking. One hardened saver whose opinion I asked snorted that if inflation went on at a 25 per cent. rate for five years the average U.K. citizen would have a lot more to worry about than his SAYE prospects. So he would have no part of it though he was a willing purchaser of guaranteed income bonds.

But I feel that the "modest" nature of the schemes is likely to be part of their attraction. There must be many people who will argue that it is logical to inflation-proof at least part of their savings. After all, what are the alternative ways of keeping pace? One answer is a unit trust which can provide a high and growing income plus capital gains, but it is a "risk" investment and flexibility can be a costly business when stock markets are low.

COMPARATIVE RETURNS

	No. tax	35% tax	50% tax
	%	%	%
Bank deposit accounts	6.25	4.1	3.1
One-year term deposits	11.3	7.4	5.7
British Savings Bonds	10.1	6.8	5.4
(cashed after 5 years)			
Building Society shares	7.0	7.0	5.4
(from June 1)			
Local Authority loans	12.25	8.0	6.1
(one year)			
National Savings Inv. account	9.0	5.9	4.5
High Inc. unit trust	*10.0	*6.5	*5.0
(*Approximate)			

Reference margins

BY TERRY GARRETT

THE ANNUAL figures from jewellers, H. Samuel, this week threw up some interesting facets regarding the treatment of the profits which have exceeded profit margin reference levels. Retailers, in common with the rest of industry, have been obliged to restrict their net margins to a level recorded by the average of the best two years of the previous five up to 1973. Further controls on retailers alone came last May when a 10 per cent. reduction on gross margins was imposed.

This last restriction is the more common one for the retailers to over-step; hardly surprising when general trading conditions have made it impossible for many to even reach their net reference level let alone go above it. Yet Samuel has proved the exception to the rule, by complying with the gross requirement but over-reaching the net level.

Last Monday, Samuel reported pre-tax profits up from £6.62m. to £7.56m. in the year to January 31, while sales rose from £26m. to £35.1m. However, the profit excludes £875,000 earned in excess of the net reference margin. So, in short, the company had written off excess profit for 1974-75 and created a deferred profit reserve to carry the excess forward.

This is in complete contrast to British Home Stores the previous week which announced that profits had exceeded the gross margin reference level by around £1.3m. in the full year, but no special provision had been made.

The main reason why Samuel, unlike BHS, excluded the excess profit is twofold. First, it feels that it would have been unfair to include the excess profit as available for distribution as in effect the sum has to be "paid back," and second, it would have created a distortion in trading performance. If a reserve had not been created the pre-tax profit would have been reported as £8.43m. for 1974-75. Assuming that this year could have put up a repeat performance, profits would have had to have been reduced by £1¾m. to compensate for the excess and bring down the current year to the right margin.

Because of the sizeable amounts involved, Samuel plumped for a reserve, and again, taking a repeat performance, shows how this spreads out the profit. Against the trading profit of £8.43m. for 1974-75, this year's profit would have to be reduced by £1¾m., but £875,000 comes back into the p. and l. from the reserve. Thus the year would end at £7.56m.; all square with the comparable period of 1973-74. BHS, on the other hand, by earning £1.3m. over the limit without a reserve would be committed to reduce the profits by £2.6m. this year, assuming repeat performance.

The time allowed for bringing profit margins into line varies, and is generally by agreement with the Commission, but excess profit is expected to be "eliminated as quickly as possible." In a seasonal business such as Samuel's this may not be so easy. With a large slice of sales concentrated around Christmas, the company has to rely on getting its forecasts right or levels could easily be over-stepped again by the January year end.

So, without any real fault of its own, Samuel, and companies in similar positions, could find unpredictable trading conditions throwing up excess profit quite often. But what is so wrong with deferred profit? The restrictions must be lifted some time, which will mean a useful boost to anyone sitting on such excesses.

Finance and the family

Gift of a house under CTT

BY OUR LEGAL STAFF

In view of the advent of capital transfer tax and so as to avoid it could you suggest how one could divest oneself of, say, a £25,000 house at £1,000 per annum?

You could realise realty to obviate the difficulty, or you could create a trust for sale and divide the proceeds into 25 (or even 100) equal parts, providing for 1 (or 4) such parts to be held on trust for the beneficiary and the rest for yourself. You could then assign some fraction of your beneficial interest amounting to not more than £1,000 in value to the beneficiary every year. As the value of the property would vary, the division into smaller elements (for example 100) may enable the scheme to be operated more easily.

Wife's rights in a house

Although I work and contribute financially to the running of our home, my husband refuses to have the house in our joint names. He maintains that in his will he has left the house to the three children of a former marriage with a proviso that I be allowed to remain in the house until I die. Could you please tell me what rights I have in this situation?

If your earnings are used to make contributions to the running of the matrimonial home you may have acquired an interest in the house—and probably will have done so. Section 37 of the Matrimonial Proceedings and Property Act 1970 confirms that this may be the case. Proceedings can be taken either during the subsistence of a marriage or afterwards for the determination by the court of the amount of the spouses respective interests in the house. Ultimately only the court can determine what the extent of any interest you have acquired in the house may be.

Defective ladder

If I lend a neighbour a ladder which proved defective, and as a result of his using it somebody is hurt could I be held liable?

The owner of the ladder would not be liable if he was not previously aware of the fault in the ladder and made no charge for the loan. Otherwise it would be necessary to know more of the facts of the actual event in order to ascertain whether any liability would attach.

Chattels as fixtures

On the sale of a house, can one replace door handles and front door furniture, either by putting back the originals or replacing with others? Can wall lighting be removed?

The purchaser of your house is entitled to all those chattels in it which are known in law as fixtures—in the absence of any express provision in your contract of sale. Normally, door furniture would be within the category of fixtures and should not be removed or replaced. Wall lights are a more difficult category, as it depends on the actual state of the fittings. It is likely that these too are fixtures, though not necessarily so, and you should consult your solicitor before removing or replacing them.

No right of occupation

A house is held in trust for occupation by two elderly sisters for life. If one were to die and it was necessary to find a companion for the other, how could I, as trustee, ensure that such companion was given no right of continued occupation after the death of the second sister?

Your object can be achieved by granting a licence for which no payment (which might be characterised as rent) is made by the licensee. You could employ a new companion and make it a term of her employment that she reside at the premises, but it is eminently desirable here too that there is no rent or rent equivalent (for example, by reduction of wages to take account of the occupation of the premises). If in doubt consult a solicitor before engaging a new companion.

Return after emigration

We went through the emigration procedure, left for France fairly recently, and bought a house there. We were allowed the £5,000 settling in allowance free of the premium, but had previously paid the premium on about £3,000 in connection with a plot we bought in France. We have now decided we want to return to the U.K. What will be the position in relation to these monies?

The treatment accorded to your investments in France, particularly in relation to the £3,000 invested through the premium currency market, will depend very much on the specific circumstances involved. The Bank of England is normally sympathetic to individuals who change their minds about emigration for good reasons. The Bank would, however, certainly want an explanation of the reasons for your decision. In some circumstances you might find that you would be penalised by not being able to get back the premium on your £3,000 investment.

The final decision in this case must rest with the Bank, and you should make sure that you apply to them giving full details of the transactions involved and the reasons for your own decisions.

Purchase price on deposit

A prospective purchaser asked to move into our bungalow as soon as possible. A contract was sent to her solicitors and the full purchase price of £21,000 deposited with them. Then, four days before the proposed moving date, she returned the contract. We were put to considerable expense. Have we no redress?

If the prospective purchaser did not enter into a contract—as appears from your letter to be the case, you have no redress for the extra expenditure incurred by you in anticipation of a contract. The only alternative course in a situation such as yours would have been to stipulate that the purchase price be placed on deposit and the interest on it, from the date of deposit, to be yours in any event.

Trust for son's benefit

By my will I have appointed the Public Trustee to take care of £15,000 for the benefit of my son, who is in a sheltered workshop. Will this method of safeguarding the future be affected by the latest Finance Act? Can you suggest a better way?

The new provisions as to Capital Transfer Tax will not affect the provision made by your will. If your estate exceeds £15,000 there will be a charge to Capital Transfer Tax on the excess, as there would have been in the case of estate duty. If you know of a reliable trustee who would perform the duties envisaged by you it might be both cheaper and more conducive to good investment of the capital of the trust fund if you were to appoint such a person (or persons) instead of the Public Trustee.

An N.H.B.R.C. agreement

In approximate figures, I purchased my house eight years ago for £10,000 and it is now worth about £25,000. I purchased from the builder subject to a N.H.B.R.C. Agreement. A defect has now developed which may be expensive to rectify. The builder offers to take back the house and give me my money back. In such circumstances is the agreement of any value, and is there any remedy?

It is unlikely that your agreement with the builder will be of any value to you in the case of a defect coming to light after eight years. If, however, you have a 10-year N.H.B.R.C. agreement it may enable you to make a claim. It would be necessary to examine the terms of such an agreement. If there is a contract which covers more than eight years, your damage is the difference in value between the house unrepaired and the house repaired at the time when the defect became apparent. The builder's offer is therefore not an appropriate way of dealing with any liability there may be.

Occupation of a flat

I am a widower living in a flat with a rent of £500 a year, where I have been looked after by a widow. After my death, can she still occupy the flat?

Unless the person who resides with you is a relative (that is, by the whole or half-blood) or is married to you she would not be able to take advantage of the transmission provisions under the Rent Act 1968. If, however, your tenancy were still a contractual tenancy you could provide for the leasehold interest to pass to her under your will.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Tracing a title in Scotland

I am involved in a complicated matter regarding property in Scotland, and the tracing of a title down through two relations, one of whom died in 1926, and the other in 1947. I have been advised that once the family tree has been ascertained, long and expensive investigation may be involved should it not be possible to find a Will in either case. Can you please tell me in general terms what procedures would be involved, under Scots Law, in "proving" the absence of a Will?

In Scotland the succession to property where the deceased dies without a Will is regulated by the Law of Intestate Succession applicable at the date of death. Accordingly, if neither of your relations left Wills the succession to the heritable property in question would be regulated by the rules of intestacy at the date of their deaths in 1926 and 1947. Once the family tree has been established no long and expensive investigation need be entailed in determining the persons who will ultimately succeed. This should be simply determined by applying the relevant rules of law. It is not possible in Scotland to raise an action to prove the absence of a Will; it is only possible to raise an action to prove the existence of terms of a Will. If no Wills are found then there is no need for any formal proceedings to be raised.

Insurance

Life cover with CTT

BY JOHN PHILIP

WITH FINANCE ACTS coming off the Parliamentary production line with increasing regularity, it is difficult enough for the commentator to keep in his mind precisely which Act has done what. So how the inquisitive, but otherwise ordinary, citizen copes I do not know. Only three weeks before Mr. Healey introduced his spring Budget, the second 1974 Finance Bill received Royal Assent—to become the Finance Act 1975.

This particular Act is the one that spells out—and some will say none too clearly—the new Capital Transfer Tax rules: rules which must be reckoned to be subject to continuing revision for some years to come, whatever the political colours of the Government of the day. However we cannot speculate what may be: we must deal with the rules as they stand and consider how they affect the life assurance arrangements most of us make.

The first point is that transfers between husband and wife (and vice versa) both during their joint lives and on the death of one before the other, are exempt from CTT. Incidentally this rule also applies retrospectively to estate duty payable on any death between November 12, 1974, the date when the Act was introduced as a Bill, and March 13, 1975. However if the surviving spouse is not domiciled in this country (domicile is a legal concept involving more than long-term resident, and in the event of dispute is for the courts to determine) then only the old £15,000 exemption applies as it did in the days of estate duty.

No need

So, as between husband and wife, it is no longer necessary for the husband to arrange his life cover by way of trust or under the Married Women's Property Acts, so long as he makes a will clearly passing his property to his wife alone, or so long as she is his only possible beneficiary if he dies intestate. Similarly the wife does not have to resort to the former duty avoiding expedient of buying life cover on her husband in her own name because there is no duty to avoid if the husband dies first. Having said this I should perhaps emphasise that of course there is no reason why the wife, who wants her own policy on her husband's life, should not still buy cover either with her own money or, now, with his.

While there is no CTT payable on the transfer of property on the death of the first spouse, the tax does become payable on the death of the survivor, when regard has to be had to the total value of the survivor's estate, including that which has previously passed free of CTT.

Exemption

To meet CTT many insurers are offering joint whole life policies which pay on the death of the survivor. Such a policy should be arranged for the benefit of the survivor's intended beneficiaries—in trust if need be, though this may not be necessary if those beneficiaries are adults. Effected this way the policy will not be aggregated with the survivor's estate, and so will escape CTT.

It is here that the second main exemption from CTT operates: transfers up to the value of £1,000 a year are tax free—and this sum normally applies separately to husband and wife so each can pass money or money's worth on to their children or other beneficiaries, which of course includes any premium spent on joint whole life assurance. This £1,000 limit is quite distinct from the small gifts limit of £100 introduced in the late stages of the passage of the Act. If used carefully this last concession can augment the £1,000—for example, a father with two children can in any one year give one child a policy, based on a premium of £1,000, and the other £100.

While the purchase of life assurance normally involves the payment of premiums over a number of years (otherwise the policy is not a "qualifying" policy so that tax relief is disallowed on premiums, and there is a tax charge on death or maturity) it is of course possible to buy single premium policies. Anyone contemplating using the £1,000 exemption rule in this way should remember that he may be able to avail himself of the carry over rule. We are now in the financial year 1975-1976, but anyone who did not use, in part or wholly, his £1,000 in the financial year 1974-75 can make over by way of gift the balance of £2,000 in the current year.

A further exemption from CTT concerns transfers out of taxable income, which form part of normal expenditure, and do not reduce the donor's standard of living. Yes, you have read these words before—the rule is basically the one that has been applied particularly since the 1968 Finance Act to exempt such transfers from estate duty.

This exemption operates in addition to the other two I have mentioned—and so the parent who wants to make his children a present of life assurance by regular premiums can do so under this rule, out of income, and if he then has capital can hand over £1,000 in cash as well.

Planner

As well as the life departments of the insurance companies, special life and pensions brokers are prepared to give detailed advice on the operation of the CTT rules and no one should set foot into the CTT jungle without expert guidance. If the problem is not of life assurance then, an accountant's or solicitor's advice should be obtained. All advisers will find most useful the life assurance planner introduced recently by Sun Alliance and London.

Indeed I suspect that many of SAL's competitors have it in use, and their own versions under production. The planner contains a ready reckoner for calculating CTT liability and includes a pad of special demonstration forms which can be used to calculate and illustrate the individual's life assurance needs, with particular regard to his CTT liability, and the amount of single life and joint life cover required to pay the tax.

CAREERS AND EDUCATION

'Free' choice of subject condemned to death

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

THE NUMEROUS academics, socialist and otherwise, who have advocated more positive planning of this country's affairs have not generally given the impression that they meant this to apply to the universities themselves. So many a don would no doubt be alarmed, as well as surprised, to hear in a speech last week by Lord Crowther-Hunt, the Minister of State for higher education, the distinct flutter of chickens coming home to roost.

The appropriate passage of the speech is long. But, since it is one of the farthest-reaching Ministerial statements of recent years, I will quote it fully:

"We need to be more than ever certain that the money we spend is well spent. Which means in my view that we should do our best to produce the sort of educated people the nation needs. And this leads me into the general field of a positive approach to higher educated manpower.

Positive approach

"I must emphasise to you my understanding of the difficulties involved in manpower planning, and the failures that have been experienced in the past in relating the need for higher educated manpower to the output of universities and polytechnics. None the less, we must recognise that these are still early days. Attempts at manpower planning in this country in most fields are of no very great age and have so far not been all that sophisticated: I am not deterred, therefore, from pursuing further a positive approach to higher educated manpower both to look again at what might be the needs of the economic system, and to ask questions not simply about numbers of qualified people but the nature of their qualifications.

"It simply will not do to allow universities and polytechnics to produce whatever people they fancy, or to relate the number and kind of places they provide to the applicants that come forward.

"Such a passive approach ignores the policy variables which are in fact at the disposal of the Government. At the very least, I would require convincing that those levers should never be used. At the one extreme, student grants and the counselling services of schools can surely affect the demand for places in higher education. At the other a considerable fraction of all graduates end up in public service. It follows that the size of the public sector and the qualifications demanded in the public sector will themselves help to determine the number and kinds of graduates we need. It seems to me therefore that it is most unlikely that the best policy for a Government in the long term is simply to observe and to accept whatever is happening.

"We already plan our educational provision to take account of the number of teachers we think we need—and we plan it, too, to take account of the number of doctors we think we shall need. We need now to go further. We need to estimate our likely future needs for different broad categories of trained manpower — drawing from the experience of some of our industrial competitors and from their views on the different proportions and types of trained manpower they now have, and are planning for, in the future. And having done that, we then need to do what we can to advise young people, when they make their future career decisions, how best they might match their talents and the sort of further education they are considering, to the nation's needs."

Expedient

Lord Crowther-Hunt's words mark an astounding change in education policy — which is perhaps why, on the day he spoke them, their meaning went unnoticed by all but one national newspaper (modesty prevents my saying which).

The teaching profession has largely considered that to base teacher- and medical-training on manpower-forecasting, is at best a benighted expedient. To the typical teacher, it is preposterous that what an academically bright youngster studies in higher education, and therefore in the later stages of schooling, should be determined by job prospects in the workaday world. The decision has traditionally been left to the "natural" choice of the pupil.

The choice, of course, is far from natural. It is heavily conditioned by the differing skills and the values of a child's schoolteachers from the infant class up, and by the availability of student places in different subjects in higher education which may, incidentally, be inversely influenced by the employability of particular types of scholarly specialist—for example, sociologists—outside the academic field.

Whatever the influences, this laissez-faire approach to the provision of subjects for study now evidently stands condemned to a protracted death.

The Government has no doubt been disturbed by the steady worsening of the mismatch between the abilities and attitudes inculcated by the higher education system, and those needed by an economy on which the country's living must, some day, once again depend. The supply of students for engineering, and to a less extent science, degrees has deteriorated so that taxpayers' money is spent on converting technology-teaching facilities for use by social studies and arts departments. Worse, discouraged by the purblind movements by engineering and other professional institutions towards denying full professional status to people without degrees, the numbers training at sub-degree level for vital technicians' jobs have dwindled fast.

This suggests that the Minister of State's aim is to push the whole education system gradually into an unprecedented emphasis on the science side, particularly the applied aspects. The apparent desire is a large "stock" of youngsters able to become, not just science specialists, but also numerate generalists.

The corollary would be a pruning of subjects such as specialist sociology and a further diminution of arts, including the Classics. It may be apposite here that Lord Crowther-Hunt, when a member of the Fulton Committee on the Civil Service, made plain his view that people educated in the sciences could learn to understand politics and finance, to express themselves persuasively, and to administer the country at least as well as those who had read Greats at Oxford.

The new approach will begin with "demand management." Attitude surveys, already under way in schools, will be used to discover how children's career-and-subject choice can be most effectively influenced. Pressure by way of entry-qualifications for public service careers will come later. But I feel that, if such methods fail, the government's commitment to the change is enough for it to resort to more direct measures.

I feel also that the commitment has been developing since before Labour regained office. For instance, Mrs. Margaret Thatcher's White Paper of 1972 declared it important that students' expectations that higher education would prepare them for the working world "should not be disappointed." So whatever Conservatives might say in opposition about the new approach, I would not be surprised if, returned to power, they somehow became reconciled to it.

Triumph

There will be people, of course, who will see the change as a barbaric triumph over a golden age. I am not one of them.

An appropriate supply of trained manpower is essential to our economic future. We may well get the balance wrong by using the far from reliable techniques of manpower-forecasting (Lord Crowther-Hunt would probably welcome advice here from industrial manpower-planners). But that is surely no worse than getting the balance wrong through so-called natural choice.

Moreover, at base the new approach is not all that revolutionary. It is simply stating that our education system should produce people who are competent in all three of the Rs.

BRF warning on rail finances

BY PETER FOSTER

RAILWAY FINANCES are "rapidly running out of control," says a memorandum sent yesterday to Mr. Denis Healey, Chancellor of the Exchequer, by the British Road Federation.

Mr. Tony de Boer, chairman of the BRF, says in the memorandum: "Within the transport sector, it is impossible to overlook the way in which railway finances are rapidly running out of control.

"The support provided by the Railways Act will, at present rates of progress, be exhausted within three years—instead of the planned five—and the country will be no nearer the solution of that particular problem."

The growth of Government subsidies for public sector transport had outstripped all other sectors of public expenditure, including housing and social services, over the last five years.

There had been a 250 per cent. increase in public transport subsidies since 1971.

Road users accepted the need to cut public expenditure severely, but were concerned that road investment and maintenance were slashed while other less economically valuable programmes had been increased.

Some of the road schemes now postponed would have shown a return on investment of up to 38 per cent. while at least 40 per cent. of the investment proposed for British Rail did not reach a 10 per cent. rate of return.

"Governments for too long have acted as if the transport system of this country was based on a railway network supported by a few roads. This might have been true in the past, but it is certainly not true to-day."

New passports to cost £6 from June 1

PASSPORT fees are going up from June 1. A new passport—£5 since November 1970—goes up to £6.

The Foreign Office said yesterday that applications submitted or posted before June 1 would be accepted at old prices.

The full list of increases is: new passport (30 pages) from £5 to £6; new larger passport (94 pages) from £10 to £12; additional passport (30 pages) of restricted validity from £2.50 to £3; extension for the first time of an additional passport from £2.50 to £3; collective passport from £5 to £6; British visitor's passport from £2 to £3.

The fee for a British visitor's passport was last increased on January 1 last year and the 94-page passport was introduced only in April 1973.

The Foreign Office blamed rising costs for the increases.

NEW COLOUR FOR CRANWELL

THE Queen will present a Queen's Colour to the Royal Air Force College, Cranwell, Lincs., on May 30.

There will be a fly-past of 16 Jet Provost trainers and a display by the college's aerobatic team to mark the presentation.

ANNUAL COST OF SCLEROSIS

The stimated annual cost to the U.K. of multiple sclerosis is £31m. and not £3m. a year as stated in a report on Wednesday, May 21.

CHESS SOLUTIONS

Solution to Position No. 62. 1...BxP ch! 2 QxB, R-N6! 3 QxB (or 3 QxQ, RxP mate), R-N7 db ch; 4 K-R1, Q-R7 mate.

Solution to Problem No. 62. 1 Q-K2. If 1...K-R4; 2 B-Q2, or if K-B4; 2 Q-B4, or if K-R6; 2 B-K7, or if K-B6; 2 Q-Q2.

Motoring

Appeal of the warhorse

BY JAMES ENSOR

THE TRIUMPH 2000 and 2500, as is well known, is scheduled for replacement in the not very distant future by the new Rover SD1. So the improvements announced, this week, to Triumph's old six-cylinder warhorse, are likely to represent the final modifications to what has, after all, been for many years Britain's second most successful executive car. The Triumph, like its Rover stablemate, has had an enormously successful run since the first, modest two litre versions of each were introduced some 11 years ago.

The impact of the energy crisis and the development of the more economical, more compact Dolomite line has had an inevitable impact on Triumph sales. The Dolomite, with its more efficient four cylinder engine, lacks only in smoothness and a little passenger and boot capacity compared with its bigger sister, yet offers notably better economy.

However, renewed acquaintance with the latest Triumph, in its 2500 S top-of-the-line form, reminded me just what an excellent car it is. The changes made to the car are really pretty minor. Externally, only the light alloy wheels from the Stag and a new badge on the grille serve to distinguish it from its predecessor.

Internally, the biggest change is the use of more efficient twin SU carburettors in place of the smaller carburettors used in the 2500 TC or the Lucas fuel injection used in the earlier 2.5 PI. The fuel injection was a major source of unreliability and upset to owners, perhaps as much from poor servicing by inexpert mechanics as from the basic fallibility of the design. Some owners have recorded no trouble at all; others have had endless problems. But at any rate, the switch to the more effective carburation and a change in the gearing to permit lower engine revs at any given speed should make the car both more economical and more reliable without any real loss of performance.

The 2500 S comes fully equipped with most of the options of the Triumph range as standard equipment. It has the rather over-light power steering from the Triumph Stag, which I am afraid contributes to a rather vague feel on the road and which I personally would prefer to dispense with, however much it simplifies parking and alpine driving.

Overdrive, operated through a switch on the gearlever, is also standard and improves fuel economy in motorway running as well as being very simple to use. Head restraints, an obviously sensible safety feature, are incorporated in the design of the seat, which is now finished in corduroy cloth and very comfortable.

The suspension has been modified also, mainly to make the ride smoother and softer. With the use of the large Michelin XAS steel braced tyres, the ride seems well up to the standards of more modern saloons. The handling also remains very good, with plenty of adhesion, at least on dry roads, but I found that it was rather too easy to over-react with the light steering. I should have preferred an arrangement that provided more feel, even if at the cost of heavier steering.

Nevertheless, the Triumph remains a remarkably comfortable, well-behaved and well-designed car. I still found myself admiring the layout of the instrument panel, with its large clear dials, and the placing of the key switches which are all close to hand on the steering column. The wood veneer used in the dashboard now has a vaguely old-fashioned look but it is still, in my view more appealing than most of the plastic boards used in competitive cars.

Perhaps the only sign of the Triumph's age lies in its engine. One has become so used of late to high performance four-cylinder engines, such as the BMW, Audi, Peugeot or Rover, in executive cars that it comes as a surprise to find a basically low-strung six-cylinder. The engine is, of course, smoother and less fussed because of its extra cylinders, but I found that when revved strongly the noise level became fairly raucous.

Triumph has deleted certain of the optional variants of its big saloon, so that now one has a relatively straightforward choice between the 2000, 2500 TC and 2500S, with just a single estate variant. The prices of course, are much higher and the 2500S at £3,300 no longer offers a big saving over rival imports such as the Volvo 244. Inflation has I fear, taken hold of British car prices and reduced the advantages of buying British which have persisted since Sterling depreciated. Nevertheless, the S model is a fine car, attractive, spacious and safe. It still stands up well to its competitors despite its age.

Golf

Warming up for the classics

BY BEN WRIGHT

MEMPHIS, Tennessee, May 22.

OVER HERE in golf's premier division Jack Nicklaus has re-emerged after a month's absence to begin his warming-up programme for the U.S. Open championship in mid-June. He last appeared in the Tournament of Champions at Rancho la Costa, California, a delightful sort of house party limited to the tournament winners of the previous 12 months.

Having just previously deprived Gary Player of his Masters' title at Augusta, Georgia, Nicklaus could fairly be described merely to have gone through the motions in California. By contrast Player, who had by his own admission been in no fit condition to make a significant title defence at Augusta after the longest unforced lay-off of his distinguished career, re-approached his best form in the Tournament of Champions, losing a play-off to Al Geiberger before returning home for a month's rest on his ranch outside Johannesburg.

The little South African told me, after this week's pro-am on the eve of his defence of the Danny Thomas Memphis Classic at the Colonial Country Club here, that he had learned from his mistake, and had practised diligently—as only he can—every day during the lay-off. He desperately wants to win next month's U.S. Open over the Number Three course at Medinah Country Club on the outskirts of Chicago to complete a second Grand Slam, having already won each of the other three major titles twice.

Precaution

Nicklaus, his arch rival, has confined himself to the business field in the interim period. He felt so tired before flying here on Tuesday he even took the precaution of having a medical check-up, only to be told that he was no more than healthily weary.

In practice on Tuesday afternoon on a course he had never seen before—Nicklaus last played in Memphis on a different, much shorter layout in 1968—he looked wonderfully sharp and beautifully balanced. In this week's pro-am he finished with four glorious birdies for a six under par 66 in 88 degree heat on a course playing every inch of its 7,193 yards. Nicklaus is ominously ready for a confrontation with Player this week-end, saying the other evening with a twinkle in his eye and within earshot of the latter that he enjoys being as frightened as he has been by his recent form.

A confrontation of another kind awaits Tournament Players' division commissioner Deane Beman in Atlanta next Tuesday, when he will run headlong into at least two storms of protest from his charges. The first arises from his decision to cancel the Tournament of Champions on the grounds that it would conflict with Beman's idea for a 16-man World Series to be staged in September next year and therafter as a climax to the American season.

As the owners of the luxurious Rancho la Costa invite all competitors in their tournament to bring along their families at the expense of the management, and the last placed competitor is assured of a $2,000 cheque, this outburst is easily understandable.

Far less valid is the outcry against Tony Jacklin's reinstatement as a Player's card holder without being forced once again to qualify at the U.S. PGA school. Jacklin told me yesterday that he was painfully aware of the resentment that surrounds his return to the fields of former glory. But he has always thrived in times of adversity and for this reason alone he may succeed again here sooner rather than later.

As a long time friend and admirer who has always regarded Jacklin's tongue as his own worst enemy, it was delightful to be summarily deserted early on Tuesday evening when Tony rushed away after some hours of hard practise to telephone home and instruct his charming wife to bring the whole family over here as soon as possible. Realistically, however, I feel that Jacklin's anything but solid putting stroke is far more likely to thwart him than the objections of some of his less-illustrious rivals.

From the potentially sublime to the distinctly ridiculous, it was with more speed than dignity that your correspondent fled the triumphant scene of Great Britain and Ireland's famous Walker Cup victory at St. Andrews in 1971. I had been unwise enough to forecast that our team had so little chance they were welcome to throw me in the Swilcan Burn if they were successful.

Powerful

Alas, several distinctly over-trained caddies decided to take a hand in the ducking while their masters were attending the presentation ceremony, so discretion quickly overcame any lingering valour. Next week the Americans, having regained the trophy at Brookline in 1973, return to the Old Course with an ominously powerful looking blend of brilliant youth and classic experience.

Two members of the American team, both youngsters, the giant George Burns and the dapper 1974 American amateur champion Jerry Pate, played many brilliant strokes at Augusta last month, when they survived all four rounds in their exciting contest for the honour of being leading amateur in the Masters.

None of their strokes was more astonishing than the hammer blow struck by Burns from the top of the hill at the 520-yard fifteenth hole. This big blond protegy of Nicklaus, who sports the same flying right elbow, hit a towering three wood second shot that carried fully 245 yards and ran down the slope behind the green into the lake at the sixteenth hole.

It distresses me to be so confident that America will retain the Walker Cup, and that once again one of our visitors will also make off with the Amateur Championship trophy the following week. If only I thought it would make any difference, I would even offer myself again for a ducking.

Bridge

Doubles can sometimes rebound

BY E. P. C. COTTER

CONTRACT WAS still in swaddling clothes when it was seen that the double of a cue-bid or any artificial response, to request an opening lead in that suit, might be of great value. Intelligently used, this is a powerful weapon, but if used indiscriminately, it can recoil upon the doubler's head.

Let me start with a hand that occurred some years ago:

	N	
	♠ K	
	♡ Q 10 7 6 4	
	♢ K Q J 2	
	♣ 8 5 3	
W		E
♠ 10 7 6 4 3 2		♠ A J 9 5
♡ J 2		♡ 3
♢ 10 8 6		♢ 9 7 4
♣ 7 2		♣ K J 10 9 4
	S	
	♠ Q 8	
	♡ A K 9 8 5	
	♢ A 5 3	
	♣ A Q 6	

My partner and I were vulnerable when I dealt in the South seat and bid one heart, which North raised to four hearts. It was clearly worth a try, so I bid a Blackwood four no trumps. My partner's response of five clubs was disappointing, and I would have settled for five hearts, if East had not doubled five clubs. This was a stupid double, as North's response did not indicate any holding whatsoever in clubs.

The consequences were far-reaching. I immediately changed my mind and bid six hearts. I was assured of a club lead, and with the King marked in East's hand, it was likely that North, who was aceless, would have the spade King and so save me from the ignominy of losing the first two tricks to the Ace and King of that suit.

West duly led the seven of clubs, and as you can see, the slam was on ice. East was blissfully unconscious, and still is, for I have not enlightened her, that she, in fact, bid the slam for me.

One expects this kind of *faux pas* at the rubber Bridge table, but what are we to say when a similar example occurs in a World Championship? Here is something which the West player is unlikely to forget:

	N	
	♠ A Q J 7	
	♡ A J 2	
	♢ A K J	
	♣ 10 8 4	
W		E
♠ K 10 9 6 4		♠ 8 5
♡ K 10 9 8		♡ Q
♢ 6		♢ 9 8 7 5 3
♣ 6 5 3		♣ Q J 9 7 2
	S	
	♠ 3 2	
	♡ 7 6 5 4 3	
	♢ Q 10 4 2	
	♣ A K	

West dealt at Game to East-West, and after a pass North said one club, an artificial bid announcing 17 or more high card points. South responded one spade, another artificial bid which showed three controls, an Ace being counted as two controls and a King as one. Now West saw fit to double, a course of action that had nothing to recommend it, and retribution followed swiftly. Instead of bidding three no trumps, North saw a chance of a more profitable contract. He redoubled, and all passed—there was no way of escape for the luckless West.

The singleton *diamond* was led and won in dummy, and a diamond was returned for West to ruff. The heart return was taken by the Ace, and a third diamond was played to force another trump from West. West cashed his King of hearts, and continued with a heart which East ruffed.

The declarer won the club return and led a fourth diamond, which was ruffed by West and overruffed with dummy's Knave. Crossing to hand with a club, South now finessed the Queen of spades, led the ten of clubs and ruffed in hand, and made the last two trumps on the table. This gave him two overtricks for a plus score of 870, which was much better than the 450 made in the other room in a heart contract.

COMPANY NOTICES

ANNOUNCEMENT

Sociedad Minera Argentifera Boliviana S.A. (Mining Co.) hereby states that it has had no relations with Mr. Aldo Motosi or Marcello Indiati-Gexco, since August 1974. Argentifera Boliviana S.A. will not recognise any commitment performed on its behalf, by the two persons before mentioned.

The Directory.

STAMPS BY JAMES MACKAY

THIS YEAR is European Architectural Heritage Year, the culmination of a three-year campaign promoted by the Council of Europe to awaken the interest and pride of Europeans in their common architectural heritage. Many countries in Western Europe are now in the process of issuing special stamps as part of the publicity campaign, our own Post Office made a handsome contribution with a series of five stamps released on April 23. The stamps were designed by Peter Gauld and printed in multicolour photogravure by Harrison and Sons.

Two 7p stamps, printed side by side, featured Charlotte Square in Edinburgh (home of the National Trust for Scotland) and the Rows in Chester. Despite the medieval appearance of the latter, much of the Rows dates back no further than Victorian times and the facade conceals an ultra-modern shopping precinct—embodying the principle of combining our architectural heritage with modern day-to-day use.

The other three stamps in the set are quasi-commemorative. The 8p shows Wren's Flamsted House at the Old Royal Observatory, Greenwich, and coincides with the tercentenary of the Observatory this year. St. George's Chapel Windsor, which appears on the 10p stamp, celebrated its quincentenary on St. George's Day, which was chosen as the first day of issue. By contrast, the 12p features the new National Theatre on the South Bank, a building unique in our architectural heritage by having no fewer than three foundation stones, including those laid by George Bernard Shaw in South Kensington and the Queen Mother next to County Hall.

Picture postcards supplementing three of the stamps were also issued on April 23. These cards, depicting Charlotte Square, the Rows and the Royal Observatory, are currently available from philatelic counters and most main post offices at 5p each. Though not directly linked to the EAHY programme, a pictorial air letter released in Scotland last week is of strong architectural interest. Commemorating the eighth centenary of Glasgow's charter from King Willian the Lion, its vignettes include the 13th century cathedral and Glasgow's oldest house, Provand's Lordship, which dates from 1471.

European Architectural Heritage Year has acquired the alternative title of Monuments Protection Year, and it is this aspect which has been highlighted by Austria which issued a 2.50 schilling stamp in January. This coincided with the 125th anniversary of the federal commission for the protection of ancient monuments and depicted a carving of Christ and St. Christopher from the altar of the parish church at Kefermarkt in Upper Austria. The stamp was designed Adalbert Pilch and engraved by Alfred Fischer.

The other countries which have so far announced their stamps have concentrated on prominent buildings. Denmark's trio, to be released on June 19, features the church of the Moravian Brothers at Christiansfeld, Gamle Kongsgaard at Lejre, and the late-medieval Queen Anna Street in Elsinore. The stamps were designed by Margit Besiakow and engraved by Arne Kühlmann. It is significant that many contributions to EAHY have been produced by the traditional copperplate engraved process, which is particularly well suited to the architectural theme.

Luxembourg's set of four stamps, released on March 10, includes a view of the Fish Market in Old Luxembourg, chosen by the Council of Europe as one of the 30 sites in its current programme of restoration. The other stamps feature the castle of Bourglinster, the Market Square in Echternach, and St. Michael's Square in Mersch. The stamps were engraved and copperplate-printed in Vienna.

The Netherlands has laid emphasis on medieval architecture in its series released on April 4. The stamps depict the Begijnhof in Amsterdam, the Coopers' Gate in Middelburg and the village of Orvelte. A more modern note was struck, however, in the 35 cent stamp showing the St. Hubertus hunting lodge designed by Hendricus Petrus Berlage, best known for his *fin du siècle* Amsterdam Bourse.

Monaco has gone to the turn of the century for inspiration, and has chosen the Villa Sauber, designed by Charles Garnier, for its 1.20-franc stamp released on May 13. This building is now an annexe of the National Museum and houses the Galea collection of dolls and automata.

Sweden will be issuing a set of five 75-ore stamps on June 13. None of the buildings depicted would figure among the tourist top 20, yet each has interesting architectural features, ranging from the church hostelry at Skelleftea and the wooden Officers' Mess at Rommehed; to the gunpowder tower in Visby and the ancient foundry and iron mine at Engelsberg and Falun respectively.

Travel

Paris need not be expensive

BY SYLVIE NICKELS

MOST PEOPLE were very discouraging about our idea of spending a long week-end in Paris, last August. It would be hot and airless, they said; full of foreigners and, of course, expensive. We went. Climatically we were lucky, for it was sunny but cool. Of foreigners there were plenty, as in any other European city at that time. As for the cost, anyone who wishes to can spend money in Paris; we wanted to see how cheaply, in fact, it could be done in basic comfort.

We took the car over on an early crossing of Townsend Thorensen's Dover-Calaise service (this year £40 return for the car and up to four adult passengers if for a maximum period of five days). We reached Central Paris by mid-afternoon, went into a small bar near the Place de la République, and ordered two glasses of wine at one franc each.

Certainly he could recommend a hotel, said the rotund bistro owner, and gave us the name of one where his grandparents always stayed. It was called the Grand Hotel de Famille, and cost Frs.30 per night for a double room which was spotlessly clean and included a private shower. Round the corner we found the family-run Restaurant de Bourgogne whose owner was even more rotund, which seemed to augur well. Here we regularly ate three-course meals from Frs.12-16 plus another Frs.7 for a bottle of wine. For 1975, about 10 per cent. should be added to these prices.

For covering longer distances we bought a book of 10 tickets (still Frs.8) valid on the Metro and central buses. But most of the time we walked for this is not only the cheapest but most effective way of seeing Paris.

The Place du Tertre in Montmartre occupied us for most of a morning, watching the artists touching up their canvases of sketching quick, clever silhouettes of passers-by.

The embankments of the Seine were good for another half-day to revive old memories of marvellous views and browse among the Left Bank stalls selling old prints and books and maps. One afternoon we did a sightseeing trip on the river itself by Bateau Mouche.

Donald Cooper

A tourists' must, the Place du Tertre in Montmartre, where local artists sell their work. In the background is the Sacré Coeur (Church of the Sacred Heart) built on the highest point in Paris.

It is excellent value at Frs.10 for 1½ hours, and we could have done it for half the price on certain departures.

Most of another morning was spent along the canal near our hotel, watching great barges nose their way in and out of the lock. Another day was devoted to the Latin Quarter and Montparnasse; and there were several visits to the elegant acres of the Champs Elysées, lingering over coffees that were three times the price of those served just round the corner.

One evening we contacted a young friend living in Paris. "Where is a good place to eat?" we asked. "Where the Parisians go, and not expensive." She led us promptly to the Restaurant Chartier, 7, Faubourg Montmartre, near Montmartre Metro station and not to be confused with the famous Montmartre district.

Here in a massive Edwardian hall, waiters who might have stepped straight out of a Toulouse Lautrec painting skilfully balanced laden trays among the crowded tables. Elegant it was not, but entertaining and good value it certainly was. A meal for three, with two copious courses and two bottles of wine came to about Frs.35.

We could have done much more sightseeing, of course, in terms of churches, museums, art galleries, and other cultural features. But on this occasion our aim was to get re-acquainted, as it were, with Paris from its pavements, and we did not regret it.

If you prefer to leave less to chance, there are any *number of tours from the U.K.* lasting any number of days and at, more or less, any price level. Among the specialists offering the most flexible arrangements are: Paris Travel Service, Bridge House, Ware, Herts.; Time Off, 2a, Chester Close, London SW1X 7BQ; and Travelscene, 54, Baker Street, London, W.1.

We returned to Calais in a very leisurely way, leaving the main N1 just north of Montreuil to follow the minor, delightful and shorter road via Desvres and the valley of the river Course. Although this was the height of the season, we barely saw any traffic on this road, apart for a few horse-drawn caravans which we learned could be rented for holidays in this area.

With a few hours to spare before catching the ship, we wandered through minor lanes and rural villages that seemed far removed from the busy nearby ports. And thus we stumbled upon the unpretentious Auberge du Moulin at Bournonville, about 17 miles due south of Calais.

We had our last meal in France here: home-made soup; an excellent omelette with lavish portions of fresh fried potatoes and salad; cheese; ice-cream—cost, Frs.13 for two!

The restaurant, we discovered, is well known in the area and attracts clients from as far afield as Belgium with five-course menus, last year costing Frs.25 and including trout or smoked salmon, and a variety of game. So much, we thought, for all those stories of France's fancy prices.

Further information: French Government Tourist Office, 178 Piccadilly, London W1V OAL; Townsend Thoresen, 127 Regent Street, London W1R 8LB.

Gardening

A lesson in formal simplicity

BY A. G. L. HELLYER

WHILE MOTORING through Gloucestershire last week I called in at Westbury Court to see how the garden was settling down after its complete reconstruction by the National Trust. It was looking in fine shape with the new yew hedges already beginning to knit together and I was delighted to find a system of planting small beds which is not only right for this very old garden but has, I believe, a lesson for gardeners to-day.

Westbury Court is the outstanding example of the formal water gardens which were fashionable towards the close of the 17th century. Like most of its kind it is very simple in conception, consisting in the main of two long, canal-like pools placed side by side in large panels of grass with clipped yew hedges to give added emphasis to their geometrical shape. One canal centres on a charming two storey pavilion, and a smaller, single storey pavilion occupies the opposite corner of the garden. Flowers are confined to narrow borders against the walls and to a little "secret" walled garden tucked in behind the smaller pavilion.

Changing fashions

During its long history the basic design has remained unchanged, but planting has been altered several times to suit changing fashions, and in the 19th century Westbury Court acquired much larger and more lavishly stocked beds and borders, some used for the inevitable Victorian "bedding out."

When complete reconstruction became essential some years ago as the only way of preserving this historic garden, a great deal of thought was given to the precise period to which its planting should be restored. Wisely, I think, it was decided to choose the earliest so far as that was known and to improvise in the style of the 17th century where no positive information was available.

And that brings me to the small group of formal beds which has been created in the middle of the largest of the grass parterres. These beds are well away from the water and from the whole central vista and merely provide a little diversion for the visitor who, having enjoyed this, proceeds across the lawn to explore the tiny walled garden in the corner.

Victorians would have filled these beds with changing patterns of plants in season in an attempt to colour them as brilliantly as possible from April to September. At Westbury Court that temptation has been resisted and only a few of the beds, or sections of beds, are filled with temporary plants, which are at the moment entirely wallflowers. What will succeed them now that summer plants are due to go in I have no idea, though I feel certain that it will not be scarlet salvias, pelargoniums or petunias, which would be far too garish for the setting.

But what really interested me was the planting of the remaining beds or sections of beds with perennials and permanent bulbs, such as purple leaved sage and Lilium pyrenaicum.

Similar permanent planting is to be seen in the very carefully reconstructed 17th century gardens of Colonial Williamsburg in Virginia, though here the plants are generally used in random mixture, perhaps with an all-over carpet of lesser periwinkle or violets pierced by little clumps of jonquils, nodding star of Bethlehem (Ornithogalum nutans) and other old-fashioned plants.

Pattern

The point of all this is that if you have made a pattern of beds, and maybe outlined that pattern yet more firmly with low clipped edges of box, thyme or lavender cotton, there is really no need to go on and elaborate the design with intricate carpet bedding nor even to colour it brightly with temporary plants in season. If you do, the result may well be vulgar or confusing and, even if it is neither, it is fairly certain to be expensive.

The little beds at Westbury Court looked charming and they must have a relatively low cost of upkeep. Anyone with even a modest knowledge of plants could think of a score of ways in which such beds could be permanently planted and so save all or most of the cost and labour of replanting two or three times every year.

The native bugle (Ajuga reptans) has several coloured leaved varieties such as Atropurpurea, purplish bronze, Variegata, cream and greyish-green and Rainbow (or Multicolor) which combines green, bronze, rose and yellow which would be excellent for the purpose. There are also some very attractive small grasses such as the Blue Fescue (Festuca glauca) and Bowles' Golden Grass (Milium effusum aureum) which can be guaranteed to keep their colour for months on end.

Nuisance

Some of the smaller bergenias might be considered, notably, crimson-leaved B. purpurascens which I recommended a few weeks ago. The golden leaved balm (Melissa officinalis aurea) makes a good splash of colour and there is also a paler yellow leaved form of the spotted dead nettle (Lamium maculatum aureum) which spreads quite rapidly but is only about eight inches high. But never be tempted to admit the variegated archangel (L. galeobdolon variegatum), for though its silvered leaves are attractive it grows much too fast and quickly becomes a nuisance.

It is regrettable that the white and golden variegated forms of Iris pallida have become so scarce and expensive for their stiff sword shaped leaves make a dramatic contrast to bushy or spreading plants. However, they are still available and even one plant of each could be split and split again over a period of a few years to provide useful stocks of these half forgotten, yet easily grown plants.

Spirits from bond down 14%

Financial Times Reporter

CLEARANCES from bond of spirits in the first quarter of this year fell by 14 per cent. on the same period in 1974 to 5.163m. gallons.

Scotch, which accounts for more than half the spirits sold in the U.K., saw withdrawals from bond down by 14.8 per cent. to 2.67m. gallons in spite of an improvement in March over March, 1974.

Immature spirits, mainly gin and vodka, slipped 3.7 per cent. over the quarter to 1.27m. gallons.

Rum slumped by 23.59 per cent. to 586,000 gallons, Cognac was 29 per cent. down at 253,000 gallons, and non-Cognac brandies stabilised at 143,000 gallons, an indication of the trading down from more expensive products which has been a feature of the drinks business for some months now.

TV Top 20

Week ended May 18

			Homes viewing (m.)
1	Special Branch	Thms.	7.9
2	Love Thy Neighbour	Thms.	7.8
3	Edward Seventh	ATV	7.7
4	Crossroads (Tues.)	ATV	7.5
	Bless this House	Thms.	7.5
6	Crossroads (Thur.)	ATV	7.4
7	Coronation Street (Mon.)	Gran.	7.4
	Crossroads (Wed.)	ATV	7.4
9	Sale of the Century	Ang.	7.3
10	Sadie, It's Cold Outside	Thms.	7.2
11	Coronation Street (Wed.)	Gran.	7.2
12	Crossroads (Fri.)	ATV	7.0
13	The David Nixon Show	Thms.	7.0
14	Don't Ask Me	York	6.9
	The Main Chance	York	6.9
16	News at Ten (Thur.)	ITN	6.7
17	Kojak	BBC	6.7
18	World in Action	Gran.	6.6
19	News at Ten (Fri.)	ITN	6.3
20	The Next Voice You See	ITV	6.1

Figures compiled by Audits of Great Britain for Joint Industry for Television Audience Research.

Economic Diary

Statistics to be issued next week include:

SUNDAY—National Savings monthly progress report (April). WEDNESDAY — Bricks and cement production (April). THURSDAY—Construction new orders (March). Energy Trends publication. Department of Employment Gazette containing employment in production industries (March), overtime and short time working in manufacturing industries (March), and stoppages of work due to industrial disputes (April).

How to spend it by Lucia van der Post

A bigger splash

Glynwed's Jupiter bath

IF YOU'RE thinking of renovating or redoing a bathroom don't miss the exhibition of baths and bathrooms on now at the Design Centre, Haymarket, London, S.W.1. There are several interesting new developments to be seen of which the most generally useful is, I think, the increasing way in which different firms are getting together to co-ordinate colours and planning.

For instance, the bathroom shown below is the result of co-operation between the kitchen firm of Wrighton and the bathroom firm of Ideal-Standard, who in turn had earlier got together with Pilkington who had produced tiles to match Ideal-Standard's Penthouse colours.

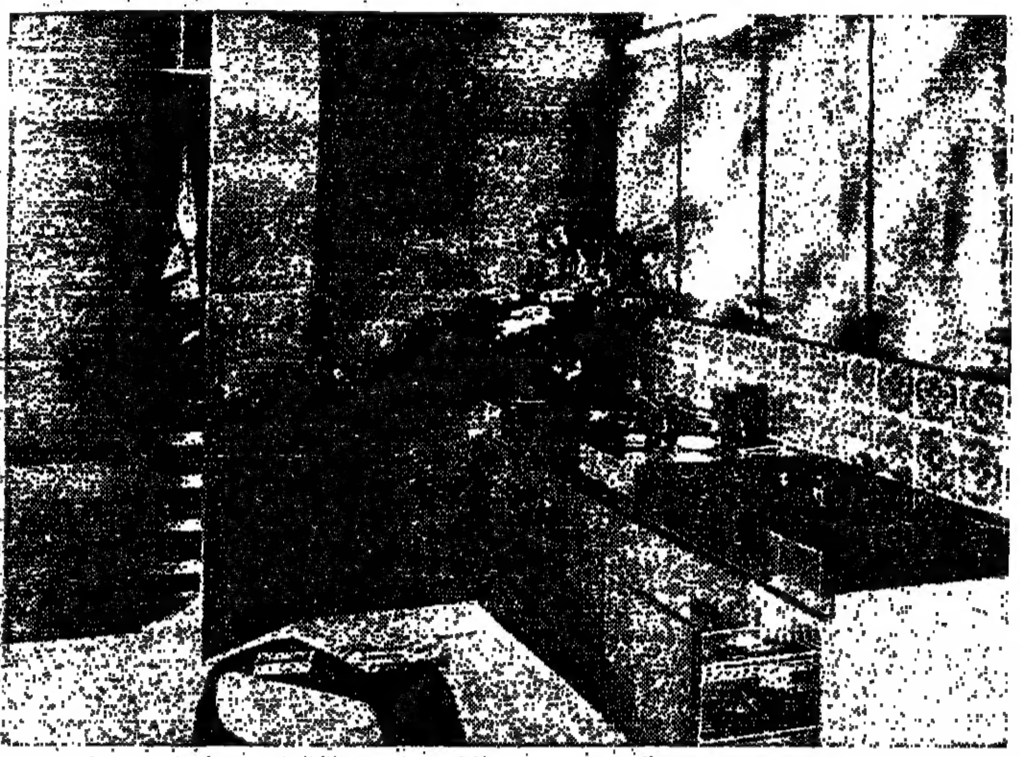
The idea behind Wrighton moving into the bathroom is that it has until now been impossible to find ready-made the sort of storage and cabinets that fitted existing bathroom sanitary ware. Anybody who wanted the fitted look for their bathroom that is now standard in kitchens has had to resort to expensive cabinet-making made to order.

The inclusion of fitted cabinet furniture in the bathroom obviously opens the way to more luxurious bathrooms and Ideal-Standard see it as a route to the sleeping-bathing-dressing complex in which the storage for clothes, medicines, make-up, cleaning materials and so on can all be catered for in the one integrated area. There are cut-outs to take basins, wall units with mirrored glass as well as a variety of internal fitments for storage and a variety of finishes.

Details of the cabinet furniture are complicated and I can only urge you to go and have a look for yourself at the Design Centre where the exhibition is on until June 28. Those who are unable to get to the Design Centre could write to Wrighton International for further details. The address is Nazeing Road, Nazeing, Essex.

Another development in bathrooms is that apparently our ideas are all becoming more and more luxurious all the time and we are demanding bigger and better baths. A bigger and better bath than Glynwed's Jupiter Seychelles is hard to imagine. This one easily takes four children as the picture shows, it's made of acrylic that comes in a variety of 12 more or less lovely colours. It has a good wide border all round for taking the innumerable bath-time accessories and the whole measures some 1.800 by 1.100 mm. This particular size will set you back £300.

It, too, is on view at the Design Centre but write to Jupiter Plastics, Glynwed Plastics, Brickhouse Lane, West Bromwich, Staffs., for further details.



Fitted furniture moves into the bathroom

Every little helps

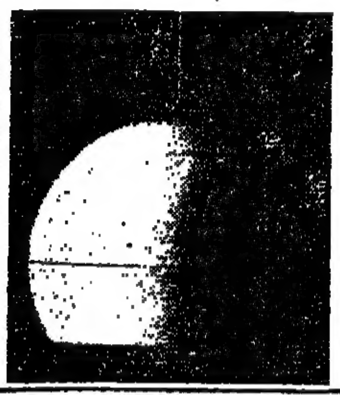
IT'S NOT often that I'm able to bring news of prices going down (in fact, it's usually cause for astonished congratulation if somebody manages to keep their prices at the same level as six months ago) but this week I have news of a firm that has managed to do just that.

Artemide are an Italian firm, with a wholesaling operation over here, who are renowned for the quality of their design. Many of their products are well known to anybody who has followed modern design and they are much used and specified by architects.

They are perhaps most famous of all for their lighting most of which has a very typical Italian panache which seems to stem from a combination of simplicity and boldness. Probably their most-photographed lighting of all is the snake light, the Boalum, which coils obediently wherever it is put.

Being high-quality products they were never cheap and what with prices rising all the time they decided that something had to be done if they were to go on having a market. The "something" they settled on was that Artemide would open its own showrooms, display their own lighting and furniture (something in any event that most furniture shops are unable to do really properly due to lack of space) and in this way they would be able to cut down margins and sell the same things to the public for a little less than the current prices.

To give you some idea of the reductions being offered, the famous snake light, the Boalum, can be bought direct from Artemide for £37.40, whereas it used to cost £42.70. The Pallade suspension lamp, photographed below left, was £22.90, and is now selling for £13.62 in orange and red.



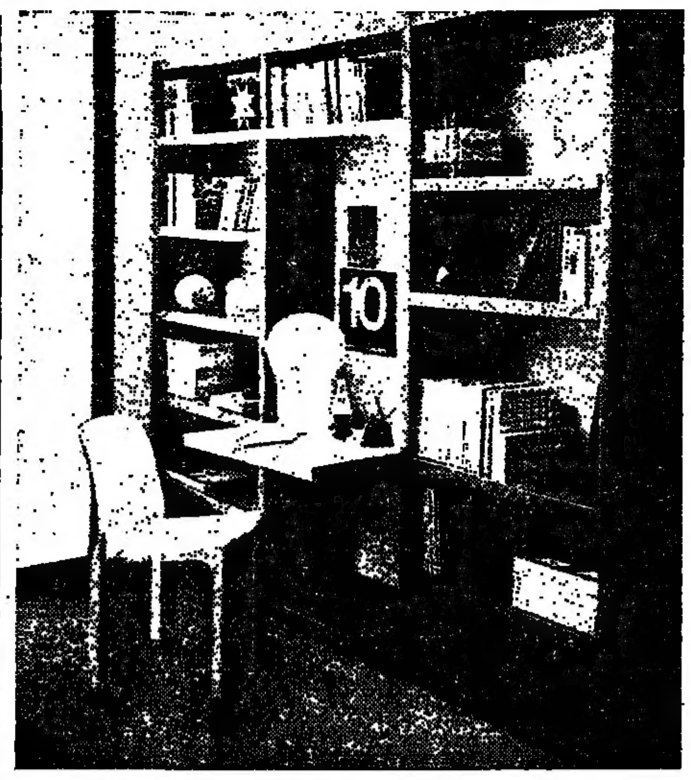
The Artemide shelving systems, which to my mind are very simple and very beautiful coming in lovely colours like bright grass green, white and black, have always needed careful display to show both their simplicity and their versatility and this they have seldom had. Now at 143, Grosvenor Road, London, SW1, the systems they do can be admirably seen, fully exploited in a multitude of situations.

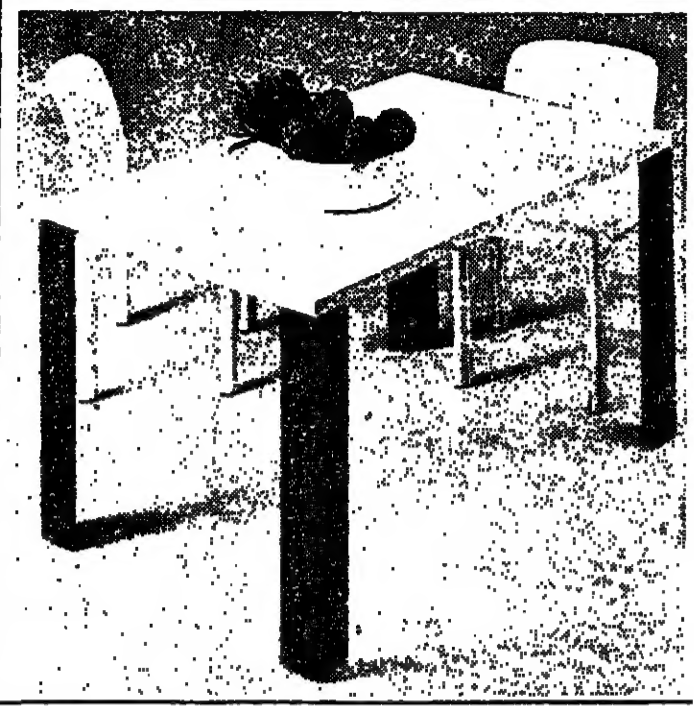
For out of London readers Environment of Harrogate also has a very good selection of Artemide things, as does Co-existence of Bath.

The Dodona shelving photographed here is made from ABS plastic and comes in the aforementioned green, white or black (black being to my mind particularly chic). It can come with or without backs and the uprights are in four different heights—70 cm. (£5.77), 140 cm. (£9.25), 210 cm. (£12.70) and 280 cm. (£19.80). Shelves are £6.95 each and are 70 cm. wide and 30 cm. deep. There is a heavy ABS shelf which forms a desk, as in the picture, for £18.95. Because the material is formed by extrusion all the shelves or uprights can easily be sawn to any length which helps if there are precise alcoves or walls that have to be fitted.

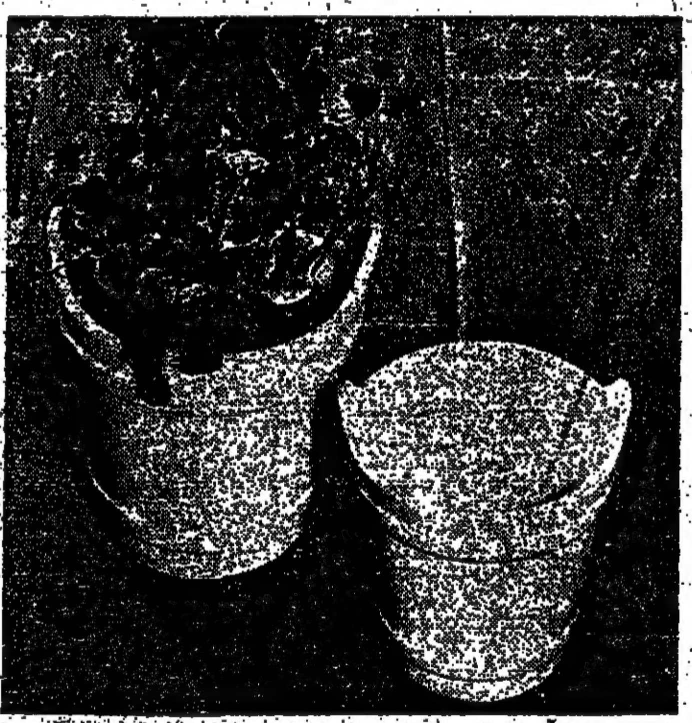
The table, bottom, right is called the Eretteo and it has a solid maple top while the legs are in brown, white or green lacquered fibre glass. There are two sizes, 120 cm. by 80 cm. for £66 and 120 cm. by 120 cm for £90.

For anybody who wants to go along to the Artemide showroom at 143, Grosvenor Road, they will find it a source of good home furnishing ideas as well as a source of Artemide furniture and furnishings. They are open from Monday to Saturday (except, being a Bank Holiday this Saturday and Monday) from 9.30 to 5.30 p.m.





Short-listed



THERE HAS never been a better selection of plant-pot holders around than there is at the moment. From all over the world, wicker, stone, clay, leather and pottery, there is a pot to suit all tastes. One of the nicest to my mind is this new plain white pot, shaped like a traditional country butter tub. It comes from Portugal and there are two sizes, one is 12.5 cm high and sells for £1.40, the other is 14.5 cm high and sells for about £2.00. Available from Etcetera, 47, Golders Green Road, London, N.W.11, Fenwicks, of Newcastle, Kendal Milne, of Manchester and Frasers, of Glasgow.

COME THE spring and early summer and almost the entire British population rises up and redecorates its houses—or so the paper and paint manufacturers would have us believe. If you are actually in the process of re-decorating, or about to do so, you might like to know that there are some exceptionally charming new wallpapers from the Swedish firm of Duro on sale at Osborne and Little, 304 Kings Road, London, SW3.

All the papers are water-proofed, pre-trimmed and ready-pasted so that they are relatively easy to hang. The designs range from small, delicate flowers geometrically arranged on contrasting backgrounds to stripes and trellises often interspersed with flowers. The colours are fresh and original—for instance a white and pink stripe on grass green, a tiny green and orange flower on a pink background or a formal white daisy on a brown background.

Prices of all 12 designs (which come in some 50 different colourways) will all be £5.50 per roll plus VAT.

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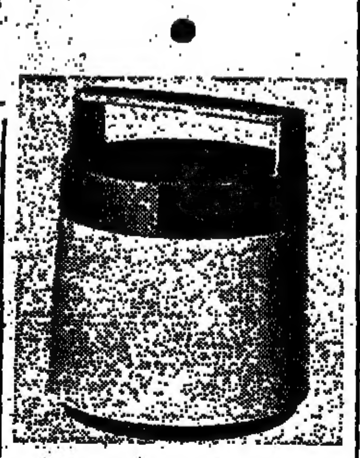


SO OFTEN on British picnics hot food is infinitely more suitable than cold. Using Insulex food jars means that you can take hot food, like soup, stews, curries or whatever, and know that the food will still be hot when it's time to eat. The wide-necked mouth means that lumpy food, like stews, can easily be poured in and out. The Food Jar holds 30 ozs and is 9 inches high. It costs £3.75 and is available from a large variety of shops including Boots, Timothy Whites, Woolco Stores, Army and Navy Stores.

●

ALL THOSE who know Tony Rudd as the active chairman of the stockbrokers Rowe Rudd and Co. will have been somewhat surprised to see me refer to him as an "ex-stockbroker." He's very much not ex, his wife Ethne Rudd runs Chalcot House which I wrote about last week and although he's looking forward to retiring one day to tend his own vineyards in the kitchen garden, that time has certainly not come yet. My apologies!

CHESS

BY LEONARD BARDEN

STEINITZ, world champion 1866-1894, was once reputed to have given this pithy piece of advice on middle game strategy: "Stall, stall, and stall some more. Your opponent will be sure to get an idea. It will very likely be bad, and then you can win by exploiting his mistakes."

I don't know if Tigran Petrosian, the ex-world champion whose style of play excites as much controversy as did Steinitz's more bizarre ideas in their time, knows Steinitz's recommendation to stall. But at the conclusion of this week's game, Petrosian made a similar comment.

He said: "Sometimes it is smart to let the other master play. If you attack him he may find the right defence, but if you wait he may come up with something wrong."

Petrosian's often negative tactics and his high percentage of draws both came under attack during his undistinguished reign as world champion (1963-69). Now his reputation is on the upgrade.

Petrosian, meanwhile, goes smoothly on round the tournament circuit, rarely losing a game, and from time to time unleashing a strategic masterpiece.

Tigran may not be aggressive himself, but he certainly has the capacity to take the sting out of others. There is a common belief among the grandmasters that Petrosian in 1966 and 1969 showed up enough weaknesses in Boris Spassky for Fischer to cash in on them in 1972.

Raymond Keene in his new Bell book "Nimzowitsch: A Reappraisal" compares Petrosian to Nimzowitsch because of his mastery of blockade and manoeuvre, but I think a closer analogy is possession soccer: the ball for Petrosian is made up of key central blockade squares and of pieces (for example the queen's bishop in his favourite system against the King's Indian) which can lure the opponent into a compromised pawn formation. In this sense, the game below is the chess equivalent of a 1-0 victory by Leeds United.

White: T. Petrosian (Soviet Union). Black: R. Cardoso (Philippines). Manila international, 1974. Opening: English. The opening moves were 1 P-KN3, P-KN3; 2 B-N2, B-N2; 3 P-QB4, P-QB3; 4 N-QB3, P-K4; 5 P-K4, N-K2; 6 KN-K2, P-Q3; 7 P-Q4, 0-0; 8 0-0, N-Q2; 9 P-N3, P-KB4; 10 KPxP, NPxP; 11 K-R1.

The rationale of Black's opening is seen on his third move: on the international circuit, P-QB3 and P-Q4 for Black following P-KN3 and B-N2 for both sides is an open invitation to White to enter the peaceful drawing systems which follow White's P-QB4, P-Q4, and a pawn swap. Petrosian, in contrast, first makes it clear that he isn't interested in a draw with a mere master, then starts up his "possession chess." 11 K-R1 could clear the KN file, it could stop trouble on White's KN1-QR7 diagonal—but in this game it is partly waiting for Black to make a mistake, and partly with blockade designs (see White's 19th).

11...N-KN3; 12 PxP, PxP; 13 B-QR3, R-K1; 14 Q-B2, N-B3; 15 QR-Q1, Q-B2; 16 B-R3, P-B5.

17 BxB, QxB; 18 N-K4, Q-R6; 19 N-N1, Q-R4; 20 NxN ch, BxN; 21 Q-K4.

Still playing white square possession chessball.

21...QR-Q1; 22 N-B3, Q-R6; 23 B-N2, RxR; 24 RxR, K-B2; 25 R-K1, R-K2; 26 B-B3, PxP; 27 BPxP, P-KR4; 28 N-N1, Q-K3?

Again on the soccer analogy, Black here misses his chance for a late equaliser. Cardoso saw that 28...Q-N5! 29 QxQ, PxQ; 30 R-K4 loses a pawn, but Petrosian saw beyond that to 30...K-K3; 31 RxNP, K-B4; 32 P-KR3, R-Q2 with good drawing chances. The success of the possession style depends partly on the opponent mentally accepting his fate.

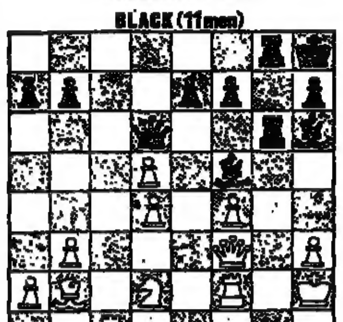
29 K-N2, P-R5; 30 N-R3, PxP; 31 PxP, K-N2; 32 N-B2, R-Q2; 33 R-KR1, R-Q1; 34 Q-K3, P-N3; 35 N-K4.

Suddenly, White has a winning attack on the KR file to add to the white square blockade. Petrosian here also uses the professional technique of staging the decisive attack in the fifth hour of play when the less experienced opponent is weakening before the move 40 time control. Black's next is a blunder losing the queen or allowing mate, but the game is gone.

35...Q-N5? 36 R-R7 ch. Resigns.

POSITION No. 63

BLACK (11 men)

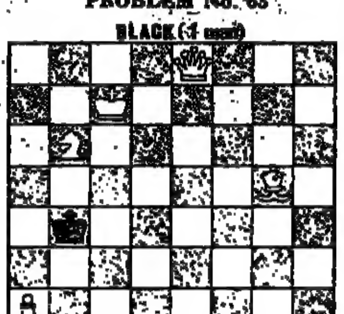


WHITE (12 men)

Relstab v. Petrov, Kemeri 1937. Black to move; how can he win?

PROBLEM No. 63

BLACK (4 men)



WHITE (5 men)

White mates in two moves, against any defence (by H. Leidecker, West Germany 1967).

Solutions Page 4

Property and housing

To boom or not to boom

BY JOE RENNISON

THERE HAS BEEN some confusion, accompanied by undignified wrangling among the interested parties, in the past few weeks about just exactly what is happening in the property market and about price levels in particular. The position is further confused by the definition of a boom. It might fairly be stated that the 47 per cent. general increase in prices in 1972 was a boom. In the past 18 months the market has been stagnant at the lower end and has shown remarkable falls in the middle and upper ranges, the size of these falls broadly corresponding with the size of the previous increases.

For those who are now looking for some recovery in values, it is difficult to detect what could be described as even a gleam of light at the present time. Some undoubtedly are trying to talk up the market. Others are tending to read too much significance into slight rises in one sector.

The story so far, however, is as follows. On May 7 the Royal Institution of Chartered Surveyors and the *Department of the Environment* published their quarterly report on the housing market. This was fairly vague on prices, making no mention of actual prices at all. The survey dealt only with existing houses and covered the three months up to the end of February. It was, therefore, a couple of months out of date but I do not think that was significant in the light of later findings.

The report showed that, apart from one particular category of houses (pre-1919 terraced), the majority of agents said that prices were "the same or lower" at the end of February than they were three months earlier when the last survey was taken. On the other hand, the very cheapest houses were selling quite briskly. The report then went on to say that "although actual selling prices rose only slightly over the period, competitive price rises could be expected to result from such a buoyant market. Furthermore, unless the supply of cheaper houses could expand to meet demand, serious shortages could result."

No mention was made of how much prices could be expected to increase or of the effect on sectors of the market other than the cheapest. Although the survey covered only existing houses, it was pointed out that the shortage of new houses could push prices in general higher.

No one would argue with the basic premise of the report. It was already widely known that activity had increased in the lower price range and that prices were rising. But the percentage rises were small and in real terms negligible. The tone of the report, however, gave the impression that large rises were on the way.

Price stagnation

On May 12 the Building Societies Association in its quarterly bulletin *Facts and Figures* weighed in with its opinion. It stated that the most notable feature of the housing market had been the stagnation in house prices. It pointed out the very minor rises in 1974 and suggested a rise of only 2 per cent. for the first quarter of this year.

The BSA spelled out its reasons for expecting only small increases in house prices in the immediate future. They are the same as those that have been put forward consistently in these columns over the last year. "In the immediate future there is no reason to expect a sharp increase in house prices: demand is still slack in relation to supply and houses are still historically high in relation to income." But, the Association added, the incomes/house price ratio was narrowing and prices would soon begin to rise once that gap was closed. It argued that there must be a significant increase in new house prices if builders are to be encouraged to carry on development to any significant degree. The cost of new construction has risen by so much that it is impossible for builders to contain prices any longer. It is difficult to argue with the last part of that statement.

This statement was not very well received, however, by at least one firm of estate agents. Connells, one of the country's largest house agents, issued a rebuttal. They said that there is no doubt that the market has turned sharply since Christmas and that, although hundreds of new homes in their particular selling areas were being built, prices had already risen by between five per cent. and eight per cent. and "to pretend otherwise is irresponsible." They warned that the shortage of available second-hand houses would again trigger off the price spiral.

No doubt Connells keep a careful eye on what is happening in their areas and such rises could be right—but only in their particular experience.

A different note was struck by the Incorporated Society of Valuers and Auctioneers in its report on the market dealing with the four months from the beginning of the year up to the end of April. In the past the ISVA reports have been the most balanced and, looking back, the most accurate. The latest states quite categorically that "predictions that the housing market is about to take off with a prices spiral comparable to that of 1972-73 are almost certainly inaccurate and may be based on untypical local situations."

The ISVA agreed that activity had been largely confined to the lower price range. Price rises have been about 3.6 per cent. on average since the beginning of the year. Their report emphasised the difficulties faced by potential buyers—including rising fuel costs, increased rates, and the soaring cost of living.

Then, this week, the latest DoE statistics on the price of new houses arrived. These were 3 per cent. higher in the first quarter of the year than in the previous quarter. This again was taken by some to signal the beginning of another boom. So what is one to make of it all?

The answer would seem to be this. The rise in the prices of new houses is not surprising: they must go up because of rising building costs. Lower priced houses will also continue to increase: it would be surprising if they did not after a year of stagnation in view of the recent rate of wage increase. Middle priced houses, on the other hand, will continue to stagnate: middle incomes have still not caught up with the 100 per cent. mortgage. Higher price houses will continue to fall in value: taxation and the general economic climate has made that a certainty.

Typical of the medium-sized country house that has tumbled in value over the last year is Coppins, Iver, Bucks, the former home of the Duke of Kent. The present owner paid something over £400,000 in 1972. It is now for sale at £200,000 and has been passed around several agents until a realistic price was finally agreed. The house has been modernised and is set in 13 acres. Agents: John D. Wood.

High class bed sits

FOR THE MOST PART the private landlord is not having a very happy time. In many circles his name has been mud for years and the Government is determined to see his demise. The various restrictions and rent controls imposed in recent years are forcing more and more landlords to abandon their role and either shut up shop or sell out to local authorities. This policy has rebounded on the Government by producing a severe shortage of rented accommodation, particularly for the mobile in a time of increasing housing stress.

But it is still possible to run a respectable business and prosper as a landlord outside the restrictions of the various pieces of legislation. This is particularly true of those landlords who are providing a specialist service—and at a special price.

Such is the case just off Knightsbridge where William Lamb, ex-RAF officer and sportsman is running a very successful furnished "bed-sit" business—even if at the moment most of the profit is going back to the banks to cover loans.

The business he has built up is aimed at the top end of the market for people who are moving around but who do not like the anonymity of a hotel room. His guests include overseas visitors, particularly businessmen and embassy people, those in London for a conference, or just people who need a temporary home while their own is being bought or sold or being redecorated.

He has taken three houses, held on long leases, in Egerton Gardens and converted them into a comfortable pad for those who would put down their weary heads in between travelling. The length of the stay does not matter. It can be for one day or for several years as long as the tenant pays his bills and behaves himself.

Being resident landlords (he and his wife live in a penthouse at the top of the building) and spending much of their income on the services they provide for their tenants, they are not bothered by the legislation on tenant-landlord relations.

All provided

The accommodation is split between one-room studios and two-room suites. Each has its own bathroom and lavatory and a small kitchen. Everything else, down to the last piece of silver cutlery, is provided. Continental breakfast is left on a shelf outside each room every morning. The only extra on the cost is the price of telephone calls.

These rooms make excellent raw material for this kind of conversion. The houses are turn of the century buildings with large airy rooms. The ambience has been enhanced by the inclusion in the furnishing of many antiques from Mr. Lamb's family home. Services include cleaning, television, radio and telephone, entryphone and the use of a sauna. Contacts are available for other services such as secretarial help and dial-a-meal arrangements. Rates range from £56 to £84 a week for a studio, £98 a week for a suite. There are no additional VAT or service charges.

RESIDENTIAL PROPERTY

OVERSEAS NEWS

AFM talks with parties to defuse Portugal crisis

BY JANE BERGEROL

LISBON, May 23.

THE Socialist and Communist Party Secretary Generals went together before the political committee of the ruling Supreme Revolutionary council this afternoon in an attempt by the Armed Forces Movement to defuse the current political crisis.

Sources said the two party leaders also met separately with the Council. Meanwhile the Lisbon afternoon newspaper "Capital" quotes well placed sources as reporting that the controversial commander of Military Security Forces, Brigadier Otelo Saraiva de Carvalho, met with officers under his command—the crucial security units in the country—who gave him a mandate in the Supreme Revolutionary Council.

His position as a strongly anti-party officer has always been quite clear and these separatist meetings further indicate the extent of divisions among the top military leaders on how to deal with Portugal's political parties.

After another marathon session last night, when some bitter quarrelling reportedly took place, The Revolutionary Council adjourned at 4 a.m. this morning and put out a communique: "We remind you that the institution of democratic liberties was done by the Armed Forces Movement. Their defence is not the business of any one party or number of parties, but the business of the Armed Forces Movement and of the entire Portuguese people." The communique went on: "We also condemn party propaganda about the spectre of dictatorship. The Armed Forces Movement has already demonstrated, and elections are the proof, that it will never allow institution of a new dictatorship in Portugal."

Both Dr. Alvaro Cunhal and Dr. Mario Soares have commented in the past eight days on the dangers of a military attempt to squeeze the parties from the "Armed Forces-people alliance." Since the Socialist leader's stand yesterday demanding satisfaction from the military on "fundamental issues" of Portugal's progress towards democracy, the Communists have put out a stiff communique, accusing the Socialist leader of hysteria, and of working for the "forces of reaction."

The fact however is that Dr. Cunhal's anxieties over the military anti-party officers' apparent new strategy of further demoting the parties and encouraging revolutionary workers' committees are at least as strong as those of Dr. Soares. Further efforts by the anti-party officers are likely on Monday, when a second extraordinary meeting of the AFM General Assembly is being convened following last Monday's inconclusive and quarrelsome affair.

On the agenda is the "AFM-people alliance" and discussions on the need "to build a solid civilian movement, over and above the parties, which is identified with the aims of the revolution and is capable of canalising, if and when necessary, direct dialogue between the AFM and the people."

Spain to give up Spanish Sahara

MADRID, May 23.

SPAIN SAID to-day it would hand over sovereignty in the Spanish Sahara to its people as soon as possible. The statement was issued after a cabinet meeting in which head of state General Francisco Franco heard reports from his ministers on political and military incidents in the territory which is disputed by Morocco and Mauritania.

"Spain does not intend in any way to prolong its stay in the Sahara from which it never thought of obtaining any political or material gain," it said.

Diplomatic observers said the statement indicated that Spain would rather leave the Sahara than get caught up in a colonial war. There have already been several clashes between Spanish troops and guerillas in the Sahara and Moroccan troops have allegedly been involved in at least one incident.

The statement said: "the Government . . . declares its intention to transfer sovereignty of the Sahara territory as soon as possible in the form and manner that best suits its inhabitants. . . ."

It added that Spain reserved the right to speed up the transfer of powers and withdraw from the Sahara "if the Spanish presence is seriously compromised."

Last week Moroccan troops fired rockets at two Spanish helicopters. Sixteen Spanish officers and men recently disappeared on patrol in the north-east part of the territory.

The future of the 103,000 square mile tract of Sahara desert in the western bulge of Africa, next to Morocco, has become a burning issue since the discovery there of huge mineral wealth.

With the liquidation of Portugal's possessions, it is the last big colony in Africa. Most of it is a desolate waste of rolling sand dunes, inhabited by about 60,000 people. Until the Spanish administration was set up 40 years ago the area was always ruled by Moroccan monarchs, the Rabat government says. Reuter

Lebanon appoints military cabinet

BEIRUT, May 23

PRESIDENT Suleiman Franjieh to-night named retired Brigadier Nureddin Rifai to head a military government for Lebanon after four days of fighting in the suburbs of Beirut between Palestinian commandos and right wing phalangists. All but one of the eight members of the new cabinet are military men.

The surprise move came as yet another ceasefire was declared in the battle between the Palestinians and Phalangists which has claimed 40 dead and 100 injured. More than half an hour after shooting was supposed to halt automatic gunfire echoed around the city centre. But it was not clear whether it was an exchange of bullets or merely triumphal volleys.

Earlier to-day the fighting had spread through the Beirut suburbs. Rockets and mortar bombs tore into buildings in the south eastern parts of the city where the Tel Al-Zaatar and Jisr El-Pacha Palestinian refugee camps overlook suburbs peopled mainly by Phalangists.

But to-night a mixed Lebanese-Palestinian patrol started operating in a fresh move to end the strife. The Palestine news agency WAFA said it was the first of four or five patrols formed from the army, internal security forces and commandos.

Lebanon has been virtually without a government since Premier Rashid Al-Solh resigned last week. More than half his cabinet deserted in protest over the Government's handling of similar heavy fighting here last month when at least 140 people were killed and hundreds wounded.

By naming a military government President Franjieh has avoided the prolonged process of political horsetrading which would have been needed had he asked a civilian politician to form a cabinet.

Brigadier Rifai said in a statement read over Radio Lebanon that President Franjieh had decided to form a military government after the deputies in Lebanon's single-house parliament unanimously asked him to form an administration of stability and security. Its task will be to put an end to the internal troubles which have plagued the country during the past few months.

Reuter

Maserati production continues

By Tony Robinson

ROME, May 23.

PRODUCTION of Maserati's luxury sport and saloon models continued to-day at the company's modern factory near Bologna although pickets stood at the gate to ensure that no attempt was made to take out any of the company's assets. The Board decided yesterday to liquidate the company after losses in excess of the L3bn. share capital. But a senior executive told the Financial Times that the company is making a maximum effort to dispose of Maserati as a going concern.

At the moment there are no obvious buyers in sight. Fiat, which already has a 50 per cent. stake in Ferrari, has suffered heavy losses after taking over Lancia and is finding sales of the Fiat 130 luxury model sluggish, except in the U.K. market, where this top model in the Fiat range does surprisingly well. Fiat is trying hard to diversify away from automobiles. Alfa Romeo, the IRI-controlled State automobile company, is running at a heavy loss and desperately trying to sell its own range of high-performance cars. It is difficult to imagine more State money being poured into the luxury car sector.

Terms set by New York creditors

By Guy de Jonquieres

NEW YORK, May 23.

WITH A mere five working days left before New York must redeem $200m. in maturing short-term debt, the major commercial banks have laid down the terms on which they would advance the city the necessary funds.

This initiative seems to represent at least a small advance from the position of public silence which the banks have adopted in recent days. But it contains stiff conditions and has been condemned by the city's financial controller, Mr. Harrison Goldin, as "tantamount to a rejection."

At the same time, Mr. Victor Gotbaum, leader of the largest city employees' union, has hinted at his willingness to accept some dismissals among his members rather than agree to any erosion of contract benefits, if this were the only alternative.

This is the first time that any New York union leader has indicated that he might be ready to negotiate on city budget cuts which would reduce employment. But other union leaders have bitterly attacked this suggestion by Mr. Gotbaum, who is head of the State, County and Municipal Employees' Union, causing him to tone down his position.

The bankers' lending plan insists that New York State and, possibly, the Federal Government, must advance the City funds to cover its cash needs up to June 30. It also calls for the balancing of next year's city budget—which shows a $641m deficit—and for a commitment to long-term fiscal reforms. If these conditions are met, the banks have said they will consider lending New York $280m. to meet commitments falling due on May 30. But Mr. Goldin has pointed out that the city must raise a further $720m. to cover its obligations maturing before June 30.

HOLLAND WANTS F-16 FIGHTER

By Michael Van Os

THE HAGUE, May 23.

THE DUTCH Government is in favour of purchasing the U.S. General Dynamics F-16 to replace its Starfighters on condition that the governments of Belgium, Denmark and Norway also jointly select that aircraft for their air forces. This was indicated here tonight by Dutch Premier Joop Den Uyl at a press briefing after to-day's cabinet meeting. He emphasised, however, that no official decision had yet been taken.

Sceptical reaction to Soviet-Libya 'military deal'

BY MICHAEL TINGAY

CAIRO, May 23.

THE report that Libya is to allow the Soviet Union to establish military bases on its territory in return for $4bn. worth of military assistance was greeted with reservation in some quarters here in the belief that the scale of any deal concluded may have been exaggerated.

News of the agreement was the main story of to-day's edition of the usually reliable newspaper Al Ahram. A number of well informed sources who were in Libya last week for the visit of Mr. Alexei Kosygin, Soviet Premier, showed no surprise at the idea of a big arms deal.

They were slightly sceptical, however, about a Libyan agreement to provide "land, sea and air bases," pointing out that this would be a volte face of Libyan policy improbable even taking into account Colonel Khedaffi's kaleidoscopic changeability.

Unsourced and attributed to a "special correspondent" in Beirut, the Al Ahram news item says that Libyan military men will go to the Soviet Union for training. It adds that Mr. Kosygin told Col. Khedaffi that, in view of the shortage of military cadres in the Libyan Army, Soviet experts would be required to operate the sophisticated weapons.

It did not state what new weapons would be made available, nor did the text make clear whether facilities offered to the Russians would be actual bases or simply supply and maintenance facilities of the kind enjoyed in Syria.

Egypt is clearly angry at the prospect that new weapons will be going to Libya rather than Egypt and is worried at the prospect of an even larger Libyan arsenal backed by Soviet military advisers only three years after Mr. Sadat's expulsion of his own Soviet advisers.

UPI reports: The Soviet Union has concluded a new arms deal with Libya but not in exchange for establishment of Soviet military bases in that country as a Cairo newspaper claimed, Soviet sources said on Friday. They said the new arms pact involved the supply of about $800m. worth of aircraft, missiles and other weapons. It was concluded earlier this month when Soviet Premier Alexei N. Kosygin visited Libya, they added.

● A spokesman for the Libyan Embassy in Beirut noted that one of the principles of Col. Khedaffi's regime was not to permit the establishment of any foreign military bases on Libyan territory, UPI reports.

Our East Europe Correspondent writes: The deal—whatever its scope—would appear to mark quite a diplomatic breakthrough for the Russians who have been keen to extend their influence in the Middle East in the run-up to any settlement negotiations.

In the overall Middle East context it gives Moscow an alternative to Cairo, with whom its relations have declined, and a means of balancing Washington's strength in the region. Not being a confrontation state, Libya's usefulness has its limits.

Arms ban may incite Turks, U.S. official warns

SPAIN, May 23.

THE American ban on arms shipments to Turkey may trigger a Turkish military assault against Greece, a senior U.S. official aboard Secretary of State Henry Kissinger's plane said to-night.

Mr. Kissinger flew here from Ankara for a brief stopover and talks with Spanish Foreign Minister Pedro Cortina.

The official cited Turkish anger over Greece's fortifying Aegean islands at a time when Greece and Turkey are disputing ownership of oil reserves in the Aegean Sea. He linked this to Turkish military shortages due to the U.S. arms embargo. "If the Turks run out of spare parts, they may decide to use their army before it becomes useless," the senior official told newsmen aboard the plane.

Mr. Kissinger found the Turks—the Government, the opposition parties, the military and the public—"profoundly offended" by the arms ban, the official said.

In two days of talks with Turkish leaders, Mr. Kissinger tried to reassure them that America remains their ally and expressed U.S. desire to help bring a Turkish-Greek settlement. But he found the Turks talking tough about the arms ban.

UPI

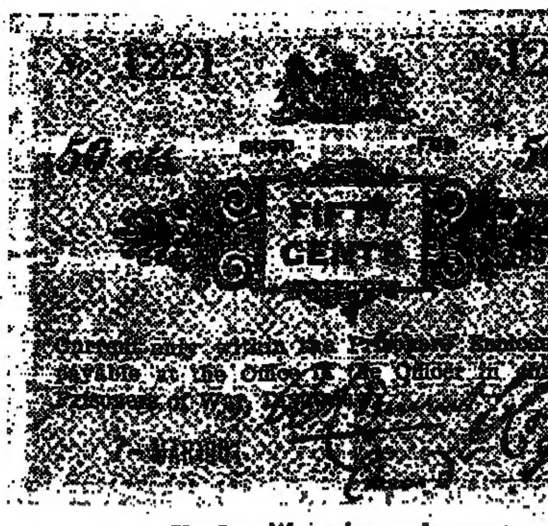
Collecting wisely

Paper money on offer

BY JUNE FIELD

IN THESE days of monetary problems, notaphily, the generic term for the relatively new collecting field of paper money (from the Latin *nota*, a note, and the Greek *philos*, love), would appear to be particularly appropriate, or strange, depending on how one considers it.

Forming a collection of paper money is claimed to have one great advantage over the more established hobbies of stamp and coin collecting. It is still possible to assemble an interesting collection for a modest outlay. Yet even so, the field is not untouched by current price rises.



50ct Boer War, prisoner of war note

In 1968 leading paper money expert Colin Narbeth, managing director Stanley Gibbon's currency department, was writing in *Collecting Paper Money—A Beginner's Guide* (Lutterworth Press £1.25), that the earliest paper money still available, the famous Ming notes of China made of mulberry bark, were to be bought for £30. In his *How to Collect Paper Money* (Arthur Barker 1971, £1.75), the Ming notes were "rapidly approaching the £400 mark," and at a Stanley Gibbon's auction in March this year, one sold for £525.

Notaphily has its own language. A good glossary is in Kenneth R. Lake's *Investing in Paper Money* (Pelham Books 1972, £2.50). *Assignats* are French notes of the 18th century, taking their value from expropriated church lands, which were extensively forged and soon lost their value: *billet de confiance* was local emergency low-denomination paper money issued in France after the Revolution because of a shortage of coinage: skin money was Russian currency for use in Alaska, at first printed on skins, later on card or parchment; and a "shinplaster" is slang for Canadian 25c fractional currency.

Paper money is of course a general term for all forms of inscribed paper which were intended to represent fixed sums of money. The Chinese have used everything from white deerskins to tortoise shells as currency, and it is China which is credited with producing the first paper money.

While the actual birth is somewhat obscure, one chronicler has it that the earliest currency was the "flying money" of Emperor Hien T'sung around A.D.820, which was really a certificate of indebtedness, that is a piece of paper received from the government confirming the amount of money deposited with them for safe keeping.

China, too, experienced paper inflation before most other countries had even heard of paper money. A frightening summary of inflation in various parts of the world is given by Yasha Beresiner and Colin Narbeth in *The Story of Paper Money* (David and Charles £3.50). As they point out, possibly the only benefit derived from inflation is the maze of colourful currency which is available to collectors. The distribution of *notgeld*, emergency notes issued in Germany after World War I, was enormous: 3,500 cities put out 50,000 different notes between 1914 and 1922.

Early *notgeld* in Stanley Gibbon's *Paper Money of the World* auction on Saturday June 7 at Drury House, Russell Street, London, WC2, includes some issued at Schoneck, West Prussia, hand-signed by the local magistrates: classed as rare, it has an estimate of £20 on it, and six pieces from Colditz, with views of the tower and castle, £15.

Billed as "one of the greatest rarities of the world" is a £1 Bank of England "Specimen" payable in "Standard Gold Coin of the United Kingdom," signed by chief cashier John Gordon Nairne, who held the job from 1902 to 1918. The note was prepared by the Bank of England at the outbreak of World War I in competition with the Treasury, the Treasury notes being adopted. Reports have it that this note changed hands on a "swap" basis for around £300 about five months ago. The pre-sale figure is now £1,200.

On Monday June 9, Glendining, in conjunction with Spink and Sons, are holding a Bank Notes of the British Commonwealth sale at Blenstock House, Blenheim Street, London W.1. Spinks have recently developed their banknote department, under the guidance of Christopher Stocker, and it will be their first auction.

Three very rare Boer War, Prisoner-of-War Camp Ceylon notes have estimates of £120, £150 and £175 on them. They were issued for Camp Diyatalawa, Ceylon, where prisoners were shipped from the Cape when guerilla raiding parties became too active.

Graded top rarity is a 10/- Gibraltar small format note of 1914: these notes were officially recalled in 1929, and this one is expected to fetch £250. One of the highlights of this scale (estimate £2,000) is the uncut pattern of 2/- and 1/- emergency note of 1919 which was proposed for Cyprus when there was a shortage of silver coinage. Hand-corrected by the Colonial Treasurer W. A. Bowring, it is probably unique.

In the under £10 range are two three piastre Cyprus notes, 1943 and 1944 (£5), and various Queen Elizabeth II Cyprus and Falkland Island notes (£6 to £9). Both these auctions complement the European Congress of the International Bank Note Society which is being held in London on Sunday June 8. Membership inquiries, Fred Philipson, 5 Windermere Road, Beeston, Nottingham.

The Arts

The Cunning Little Vixen

BY RONALD CRICHTON

The Glyndebourne Festival opened on Thursday with a new production of *The Cunning Little Vixen*, the first opera by Janacek to be given there. One immediately wonders why, seeing how well *The Vixen* goes in the small auditorium—even *Jenufa*, the least remote of Janacek's stage works from conventional grand opera, does not need a large theatre, while intimacy can only help a composer who explored his characters' feelings and, especially, their speech, with such minuteness. This production, by Jonathan Miller, conducted by Raymond Leppard, is well up to Glyndebourne standards of intelligent, thorough preparation and good team work. Such reservations as there are spring from problems inherent in the conception of the work.

The Cunning Little Vixen originated in a strip cartoon about forest life, animal and human, in a Czech newspaper. The caption writer worked them up into a book from which Janacek compiled his libretto, clothing with wonderfully fresh, direct, quirky, sympathetic music material that seems to have been hardly superior to the Pip, Squeak and Wilfred drawings which, as older readers may remember, appeared in the Daily Mirror at about the same period. Animals lent human sentiments and speech offer pitfalls enough for whimsy and archness. Dramatisation adds the technical difficulty of the relative scales of men, animals and even insects seen on stage together.

Outside Czechoslovakia *The Vixen* has become known mainly in the German translation of Max Brod, a Prague writer and friend of Kafka. Brod, who had a streak of the opera-doctor's crypto-creative itch to improve other men's work, stressed the human-animal parallels and loaded the forest air with symbolism. Felsenstein's famous East Berlin production 20 years ago shed many of Brod's accretions. Norman Tucker's English version for the British premiere at Sadler's Wells in 1961 kept still closer to the original. This is the translation used at Glyndebourne, where with one minor exception even the usual doublings (for example parson and badger, forester's wife and owl) are avoided.

Jonathan Miller and his designer Patrick Robertson use a small revolving stage with a timber construction whose wings suggest trees or rustic buildings while the staircase provides a climbing forest path as well as a lair for the badger — later annexed by the vixen. Behind are dissolving projections, most successful in close-ups of foliage or branches, less so in the broad woodland views which look (wherever they come from) English to the core while the music eloquently insists they should be something else. The curtain remains up during orchestral interludes between scenes, which works pretty well until towards the end of the evening, when one begins to tire of the repetitious revolve and would rather concentrate on Janacek.

Rosemary Vercoe has clothed the animals in ingenious adaptations of Moravian national costume, becoming, adequately suggestive except for some head-dresses and make-up—the vixen and her cubs have fur toques which make their faces round and flat and most un-foxy, the cock's plumes are barely visible in dim light, the badger looks more like a panda. The animal mimings are directed by Mark Furneaux, admirably in the scene of the wedding of fox and vixen, elsewhere a little lackadaisically, with movements sketched in rather than carried through—Felsenstein's unforgettable impression of continuous, omnipresent if half-invisible forest life is something the like of which one may never see again. But then, not even Glyndebourne disposes of Felsenstein's open-ended rehearsal time.

Norma Burrowes, quick-witted, incisive, with a strain of animal plangency in her tone, is exactly right as the vixen. The forester or gamekeeper who catches her is Benjamin Luxon, excellent singer, not yet wholly capturing in clothes or manner the feeling that he is as much a part of the forest as the animals themselves. Thomas Lawlor as the poacher who shoots the vixen comes nearer to this. From a large, gifted cast including a number of children there is only room to single out Robert Hoyem as the fox, Hugues Cuenod as the strutting cock, and Bernard Dickerson outstanding as the dried-up village schoolmaster. The contribution of the chorus, though off-stage, is not unimportant.

Raymond Leppard, associated at Glyndebourne with Monteverdi and Cavalli, is obviously at home in the very different sound-world of Janacek. So, except for a few untidy edges on the first night, is the London Philharmonic. The theatre's dry acoustic suits this music well. In Janacek's unblinkered view of nature there are dried leaves, sticks and stones as well as softer, moister things. Later on Mr. Leppard and the orchestra will assemble those knobbly, penetrating, reiterated phrases into more flowing paragraphs for pages like the forester's monologue at the end. But both the opera and its performance are abundantly worth seeing.

Norma Burrowes

'Tommy' on the stage

BY B. A. YOUNG

In the event of any living person's being unfamiliar with the story of *Tommy*, the rock opera by Pete Townsend of The Who, it is this: when he was a boy, Tommy Walker witnessed his father killing his mother's lover, and as the result of parental urgings to secrecy he became blind, deaf and dumb. Despite the bullying of his Cousin Kevin and the improper approaches of his Uncle Ernie and the unsuccessful cures attempted by a gipsy and by a doctor, his handicaps remained, leaving him only two pleasures in life—gazing at a mirror and playing pinball machines. At this latter sport he became a champion of world class; what joy he got from the first is a psychiatrist's problem, or perhaps only a pop composer's.

One day his infuriated mother smashed his mirror for him and his faculties were immediately restored; whereupon he fancied himself a new Messiah and led a campaign called "Tommy for Truth." But at the holiday camp founded as his headquarters (and managed by his sinister Uncle Ernie) his disciples suddenly lose their faith and quit him with the sinister strains of "We ain't gonna take you! We forsake you! Gonna rape you! Let's forget you, better still."

The unlikeliness of this tale is paralleled by the unlikeliness of the stage presentations of *Tommy*. While the film is still freshly on release, both Derby and Leicester have decided to put the story on the stage and met with no opposition from any side. Derby won the race and opened on the 15th; Leicester joined in a week later. Both have done tremendous business—in Leicester the production is going from the intimate Phoenix Theatre at the end of its three-week run to play short performances at the 2,000-seat De Montfort Hall.

Unable to see both versions, I went to Leicester's on Thursday. I can't conceal my opinion that the book, lyrics and music are abject drivel, but Michael Bogdanov's production is real fun. His set consists of a pile of used cars and parts of used cars, among which action takes place at three levels. Top level is for the band, made up of players from the Phoenix's company plus an extra guitar and a drummer. (New arrangements have been made, some providing extra fun; for example, the music for brutal Cousin Kevin is scored for two recorders, sousaphone, triangle and "chopsticks" on the piano.) The middle level contains a symbolic pinball machine, and it is here that Tommy's spiritual influence is centred. At stage level we have the brutalities—Captain Walker (dressed for some reason as a Flight-Lieutenant, RAF) murdering Mrs. Walker's lover, the Doctor trying to cure Tommy with a super-EEC machine sparkling with coloured lights.

There is a pronounced sagging after the interval, in spite of Uncle Ernie's endeavours to get the audience to sing with him; I was one of the schismatics in the "Tommy for Truth" movement almost at once. But mostly the show is happy and pretty and, in spite of the triviality of its material, not unworthy of the work of this likeable company.

"Trivial" I have called it, and "drivelling," but Tommy undoubtedly has a genuine importance. Every item in it—the broken home, the domestic brutality, the violence, the sexual perversion, the psychotherapy, the sudden stardom obtained without effort, the abandonment of the star when the trend wears out—is part of the delinquent dreams of to-day's adolescents. Far be it from me to suggest that *Tommy* should be taken seriously as art; it ought certainly to be taken seriously as sociology.

Theatres this week

ALMOST FREE — *Plays* by *Robert Patrick*. The season of plays about homosexual problems ends with three pieces by Robert Patrick, who wrote *Kennedy's Children*. There are two comparatively trivial ones, nicely done at lunchtime, and one brilliant if not particularly doctrinal piece in the evening, *The Haunted Host*, given a fine performance by two American actors. Opened Wednesday.

YVONNE ARNAUD, Guildford —*The Formation Dancers*. Frank Marcus's elegant comedy about infidelity among the intellectuals, delightfully directed and acted. Opened Tuesday.

Arts news in brief

Past and present members of the Royal Shakespeare Company will take part in a special gala recital on the evening of Sunday, June 29, at the Royal Shakespeare Theatre, Stratford-upon-Avon.

The recital is the final event in the week-end of Centenary Celebrations—which include a visit by the Queen and Prince Philip, and Stratford's biggest-ever Elizabethan Fair—arranged on behalf of the Royal Shakespeare Theatre's international appeal for funds.

It is hoped that the company will include: Peggy Ashcroft, Angela Baddeley, Judi Dench, Alan Howard, Rachel Kempson, Eric Porter, Anthony Quayle, Michael Redgrave, Paul Rogers, Paul Scofield, Sebastian Shaw, Janet Suzman, Dorothy Tutin, and David Waller.

The recital will be devised and directed by Patrick Garland.

*

A week-end jazz festival is being held in the grounds of South Hill Park Arts Centre, Bracknell, Berkshire, on July 5 and 6. The event will feature music from 2.30-11.00 p.m. on each day—modern jazz on Saturday, and mainstream/traditional on Sunday.

South Hill Park is a community arts centre based in Bracknell New Town, and situated in a 60-roomed Victorian mansion house with 15 acres of its own grounds. The festival will be held in a large marquee on the lawn of the mansion's landscaped garden, with full catering facilities and the usual services.

The event is being promoted in association with the Jazz Centre Society.

The final programme is still being confirmed, but bands and musicians booked so far include the following: Saturday, July 5, Mike Westbrook Big Band, Barbara Thompson's Jubiaba, Stan Tracey's Trio, Louis Stewart and the Lennie Best Quartet. On Sunday, George Melly and the Feetwarmers, Wild Bill Davis and the Alex Welsh Band are booked to appear.

Further information from John Cumming, South Hill Park, Bracknell, Berks. (0344) 27[illegible] or Charles Alexander, Jazz Centre Society, c/o ICA, Carlton House Terrace, London S.W.1.

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Travel crash cash repaid 'by autumn'

By Arthur Sandles

HOLIDAYMAKERS who lost money in the travel company collapses of last year—notably in the Court Line crash—may get it back by the autumn.

Mr. Eric Deakins Trade Under-Secretary said yesterday that there were bound to be problems "but the bulk of them should be dealt with and repaid by the autumn."

There are some 46,000 claims, 35,000 involving Clarksons, and they affect 150,000 holidaymakers who booked holidays with more than half-a-dozen companies which ceased trading last year.

Mr. Deakins was speaking the day after the Air Travel Reserve Fund Act, which provides a further safeguard for travellers, received the Royal assent.

Meanwhile Thomson Holidays and British Airways were involved in a bitter row over holiday surcharges.

'Immoral'

Mr. Francis Higgins, Thomson's managing director, claimed that some of his rivals were asking for unnecessary "cost-of-living" surcharges on holidays. It was "immoral."

He said British Airways was charging up to £8.33 on some package tour flights when Thomson estimated the surcharge should be 20p.

Mr. Gerry Draper, BA's travel division director, replied that Mr. Higgins had mixed up charter and scheduled flights. Charter passengers would pay the surcharges that most companies, including Thomson, had agreed. Scheduled surcharges were a different case—and last year the situation had been reversed with scheduled having the lower surcharges.

L & G buys £2.5m. house

By John Trafford, Property Editor

AS PART of its decentralisation programme, Legal and General Assurance has bought an 18th-century house in North London for £2.5m. to serve as the headquarters of its general insurance operation.

The property, Northmet House in Southgate, has served for 27 years as headquarters of the Eastern Electricity Board until it was moved some months ago.

Legal and General is to spend £750,000 on internal conversion before moving early next year into the 52,000 square feet offices. The 400 staff who will work there will be drawn partly from the group's headquarters at Temple Court in the City of London and partly from other London offices.

BR's £340m. 'not enough'

THE GRANT of £340m. for British Rail's passenger system this year would not meet all the increased costs of providing a rail service, Mr. Neil Carmichael, Parliamentary Under Secretary for the Environment, warned MPs who pleaded in the Commons yesterday for improved commuter services.

Top priority for the Government must be to combat inflation, the Minister said.

Datsun accuses U.K. car makers of 'distortion'

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

THE ROW that had been simmering within the Society of Motor Manufacturers and Traders over its Japanese car dumping allegations erupted yesterday when Datsun accused the British industry of waging a "systematic and quite unjustified" campaign against imports from Japan.

Datsun U.K., importer of the Nissan-made Datsun models, is a member of the SMMT, which has made out the case against Japanese cars, urging immediate import duties and a thorough investigation of the Japanese industry. The plea is being considered by the Government.

Datsun wrote yesterday to Mr. John Beswick, director of the SMMT, alleging a "campaign which can only do us harm."

The letter accused Mr. Beswick and his members of giving figures to the press which were "distorted, taken out of context and in some cases simply not true."

On the question of prices—a key issue because the SMMT evidence is based on the belief that car prices have been subsidised in Japan and, therefore, overseas—the letter says that Datsun's Cherry model has gone up by 42 per cent. since January last year and the Sunny by 43 per cent.

It dismisses the subsidisation argument as "cheap propaganda," demonstrating "economic ignorance." Japan had achieved high productivity from a high level of automation, and the Sunny and Cherry had been increased in price by 24 per cent. in Japan over the last 18 months.

Moreover, if the small Japanese cars were prevented from entering the U.K., Continental manufacturers would be the only ones who could fill the gap.

Datsun also dismissed the argument that jobs had been lost in Britain because of Japanese sales. The importers had themselves provided jobs.

The Government so far has refused to put an import duty on Japanese cars and is continuing preliminary discussions on the SMMT claims, lodged only 10 days ago.

Pilkington Brothers in talks with Benn

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

MANAGEMENT AND unions at Pilkington Brothers, Britain's sole mnufacturer of flat glass, are involved in a series of discussions with Mr. Anthony Wedgwood Benn, Secretary for Industry. There is no suggestion, however, that the group is seeking financial help.

Because of a drop in demand, Pilkington cut its workforce by 2,000 between July, 1974, and April this year to just over 20,500, including 600 who have gone since February. The unions have been told that the group needs to reduce manpower still further in all areas.

Pilkington has been badly hit by the slump in both the construction industry and in motor manufacturing, to which it is a major supplier. The particular part of the Pilkington operations which has been most severely affected is the Ravenhead plant, near St. Helens, which makes glass envelopes for television tubes.

The Ravenhead workforce has already been cut from 1,300 to 900 and the company has said that another 200 to 300 must go during the summer.

Pilkington maintains that three-quarters of the reduction in the group's total workforce has been achieved through voluntary redundancies or natural wastage.

Its situation adds further urgency to the investigation by the Department of Trade into allegations that the Japanese have been dumping television tubes and other components on the U.K. market.

A Department team is now in Japan to look at the situation there, after admitting that, at first sight, there seemed to be some substance in the dumping allegations. This type of investigation usually takes months, rather than weeks, to complete.

In its own field, Pilkington has made a formal complaint that Eastern European countries (the USSR, Czechoslovakia and Romania) are dumping horticultural glass in Britain.

The Department's investigation into this allegation is in its early stages.

It has been agreed, meanwhile, that there should be further talks soon between the management-union delegation from Pilkington and Mr. Benn.

North Sea platform safety plan

Financial Times Reporter

MANY of the 50-odd gas development platforms in the southern sector of the North Sea are likely to require modification and strengthening if they are to meet the new certification standards coming into force on August 1.

Although some may need to be taken out of commission, however, the industry and Government seem confident that the changes can be carried out without affecting vital gas production from the North Sea fields.

The exact number of platforms requiring work is not known at this stage.

The situation arises as a result of Government rules requiring certification of all offshore structures by a deadline of August 31.

Many of the offshore platform facilities in the southern sector of the North Sea were installed more than five years ago when designs were still largely based on the different conditions prevailing elsewhere in the world and when experience of such questions as corrosion in the North Sea was limited.

Arundel Castle offered to National Trust

BY MICHAEL THOMPSON-NOEL

ARUNDEL CASTLE, Sussex, the ancestral seat of the Dukes of Norfolk for 700 years, is expected to pass into the ownership of the National Trust this year.

The will of the 16th duke, published yesterday, shows that the Castle and its park have been left to the duke's trustees, to be offered to the National Trust or a similar body within 12 months of his death, together with an endowment for their upkeep.

The duke, who died on January 31, aged 66, left £3,536,537 gross (£2,668,708 net). The duty was £336,028.

The National Trust said yesterday that the duke had approached the Trust about taking over the Castle. The Trust had said it would be "delighted," providing there was a sufficient endowment. Terms are being discussed with the duke's trustees and the outcome will probably be known by August.

Other bequests included £50,000 each and his jewellery to his four daughters, Lady Mary, Lady Jane, Lady Sarah, and Lady Anne; Lantonside, his house in Scotland, with a further £7,500, to Lady Mary; Lantonside Farm equally between Lady Sarah and Lady Jane; effects from the Herries, Yorkshire, estate to Lady Anne, and all his bloodstock and the remainder of his personal belongings, together with a life interest in Angmering Park stud farm, to his wife.

The residue of the duke's property is left in trust to his wife for life, then equally between his daughters.

Union lifts sanctions

THE SOCIETY of Lithographic Artists, Designers and Engravers, one of the unions in dispute with the Newspaper Society, which represents provincial newspaper managements, yesterday lifted sanctions while members ballot on a pay offer.

There was "a growing threat to the future viability" of the Sunday Mercury, Birmingham, because of industrial action by members of the National Graphical Association, the company said last night.

It added: "The Birmingham Post and Mail regrets that it now seems unlikely that it will be able to publish the Sunday Mercury on Sunday—the third Sunday in succession that the newspaper has not appeared."

PAINTING RECORD

The Paul Gauguin painting Hina Maruru, which was sold for a saleroom record price of £409,483 in New York on Wednesday evening was not sold by the O'Hana Gallery as reported in yesterday's Financial Times.

Come out for cheaper food, women told

BRITISH HOUSEWIVES should vote No in the Common Market referendum to get cheaper food, according to a group of women Labour MPs.

The anti-Market MPs said yesterday: "Stay in and food prices will soar by 40p in the pound over two years: come out and New Zealand butter, now about 27p a pound, could fall to 20½p: cheese, now about 38p a pound, could fall to 28p."

They also claimed that husbands were going to have to work longer to fill their wives' shopping baskets if Britain stayed in the Market.

Mrs. Ann Taylor (Bolton West), one of four MPs representing the 14 women Labour MPs, said: "If we stay in it is guaranteeing food-price increases. A lot of people blame the EEC for much of the increases in food prices, but a lot are also under the impression that we are paying EEC prices.

Inflation

"They don't realise that food prices are bound to rise by 40p in the pound if we stay in regardless of other inflationary pressures."

Mrs. Millie Miller, MP for Ilford North, said it took a British industrial worker on an average industrial wage about seven hours and six minutes' work to fill an average shopping basket.

In France it would take 13 hours 30 minutes, and Italy 16 hours 56 minutes. "Our wages may be lower, but they buy more," she said.

Miss Jo Richardson (Barking) described surplus food mountains as "disgraceful." Mrs. Gwyneth Dunwoody (Crewe) said: "We are not going to finish up as the poor men of Europe if we leave the Community."

Vote no—for a 'five bob loaf'

THE DAY OF the 25p loaf and 50p bag of sugar would be just around the corner if Britain left the Common Market, Mr. David Warburton, chairman of the Trades Union Alliance for Europe, said last night.

Anti-Marketeers claimed that Britain could obtain cheap food outside the EEC but food-exporting countries such as New Zealand and Australia had renounced the old cheap subsidised food policy.

Mr. Warburton, who is also the national industrial officer of the General and Municipal workers' union said at Chorleywood, Herts: "The case for continued membership is so overwhelming that the anti-Marketeers are fast becoming a tribe with assorted chiefs, but without the Indians."

Benn 'costs jobs—not the Market'

THE ECONOMIC policies of Mr. Anthony Wedgwood Benn, Industry Secretary, were causing unemployment, Lord George-Brown said yesterday.

The former Labour Minister said in Manchester that the Common Market was not to blame for putting people out of work.

"To Mr. Benn, I say OK, we have lost many jobs and unemployment has gone up since we have been in the Common Market. The problem has not been the Common Market, Mr. Benn. The problem has been you.

"My Left-wing colleagues may ask themselves why they want to bring Britain out when none of their coleagues on the Continent wants their country to come out."

Small No majority in low poll won't bind Prentice

BY IAN DAVIDSON

MR. REG PRENTICE, Education Secretary, made it clear yesterday that he would not feel bound by the referendum verdict if there were a small majority against membership of the Community on a small turnout.

Questioned at a Britain in Europe Press conference, Mr. Prentice said he regarded this as a purely hypothetical problem, since he was confident of a decisive majority in favour of continued British membership.

If there were a small vote with a small majority against membership, he said, Members of Parliament would have to decide whether that constituted a popular mandate which would bind them in the parliamentary process of repealing the European Communities Act.

Conditions

In such circumstances, he would work to prevent withdrawal from the Community, whether or not he remained in the Government. Mr. Prentice is believed to be the first Minister to suggest, since the referendum campaign began, that there might be conditions in which he would not feel bound to follow the referendum result.

Mr. Roy Jenkins and Mrs. Shirley Williams have long made known their unconditional commitment to the principle of Community membership, and it has sometimes been assumed, therefore, that they would vote against withdrawal in Parliament, whatever the result of the referendum. Mrs. Margaret Thatcher has refused to commit herself or her party to following a referendum vote against Community membership.

Mr. Prentice told the Press conference that Europe would be more likely to extend aid and trade with the developing world, notably the poorer parts of the Commonwealth, if Britain were able to take part in the crucial decisions.

He conceded that the Community was not doing enough for India and the other countries in southern Asia—but it was doing far more than before Britain became a member.

Lord Carrington argued that the Atlantic Alliance and the Commonwealth would both be weakened if Britain left the European Community. "American reaction," he said, "would be disbelief, combined with an exasperation that would rub off on the cohesion of Western defence, and we should encourage those in the U.S. who want to bring their forces home from Europe."

Unrealistic

It would be unrealistic, he said, for Britain to break its political and economic ties with Europe, and to expect that this would not rub off on its defence associations. "Why do you think the Communists are so keen on us leaving the Market?" he asked. "Who do you think would most rejoice?"

Mr. Prentice added that it was curious that the only powers which wanted Britain to leave the European Community were the Soviet Union and its East European satellites. There had been articles in the Soviet Press on British sovereignty, he said; "but we know the Soviet record on national sovereignty in Hungary and Czechoslovakia."

Heath sees 'a new and noble chapter in British history'

BY PHILIP RAWSTORNE

MR. EDWARD HEATH, in a buoyant speech to the National Press Club in Washington last night, said that Britain would vote decisively next month to stay in the EEC.

"If I were you, I would put my money on Britain's future," he advised his audience. "It is my conviction that we in Britain will pull ourselves out of our current malaise."

The referendum would confirm the opening of "a new and noble chapter" in British history.

There had been an over-reaction in the U.S. to Britain's situation. "It is still the best country in the world in which to live."

Our economic crisis was not unique, though it was "profoundly worrying," that while the problems were beginning to ease in many countries, they were still getting worse here.

Britain's crisis was also one of readjustment between the different forces which existed in the State and the authority of Parliament—"but Britain is not the first country to face this."

Much of the gloom about our situation, stemmed from anxieties in other countries about what might happen in their societies if Britain's liberty and democratic traditions might give way under strain.

"Things may not be going as we would like in Britain, but they are not yet so wrong that they cannot be put right.

"We are facing a crisis of confidence—in our ability to manage our economy; in our capacity to reconcile the conflicting interests in society in a peaceful manner; in the resilience of our democratic institutions; and confidence in ourselves."

The right policies were vital but they would not be enough if the British people lacked the will.

"The answer to our problems does not lie in technical and mechanistic solutions. It lies instead in the capacity of our politicians to offer a national lead and in the willingness of the British people to respond."

Britain had been passing through a transitional period, shedding her Empire but only just taking advantage of the new opportunities in Europe.

"To assess Britain's future you have got to make a judgment of the kind of people we are. I reckon I know the British people pretty well . . . I am backing Britain."

Clive Jenkins declares unions' World War 3

BRITAIN'S trade unions were facing a "World War III" situation over the Common Market, Mr. Clive Jenkins said yesterday.

Mr Jenkins, general secretary of the Association of Scientific Technical and Managerial Staffs, said if Britain stayed in the Common Market her wage and salary bargaining system would be destroyed.

"I am advocating the TUC to treat this as a world war three situation," he said at a Get Britain Out Press conference in London.

"For me world war three is the fight against inflation and lower standards of life for our people. That is why I have suggested that, although it is quite expensive outside the Common Market, it is unsupportably costly inside."

Mr. Aggit Singh Rai, chairman of the Indian Workers' Association in Britain, said that coloured workers were already second class citizens in Britain and if the country remained in the EEC they would be third class citizens in Europe.

"The situation for immigrant workers in Europe is worse than it is here

"We have got the right as humans to ask the Government what would be our status if we stay in the Common Market."

Mr. Christopher Frere-Smith, Chairman of the Get Britain Out campaign's executive committee, said that although immigrants from Commonwealth countries could vote in the referendum, only a certain number would have the right to free movement in Europe.

Under the British Government declaration on the definition of "nationals" in the Treaty of Accession, British nationals were defined as citizens of the United Kingdom and Colonies or British subjects not possessing citizenship of another Commonwealth country.

"In other words any immigrant resident in Britain who is a Commonwealth citizen, or who is not a citizen of the U.K. and Colonies, will not have any right of freedom of movement within the Common Market if Britain remains a member after June 5."

Such people would be received in Common Market countries on the same basis as other guest workers on the Continent, who had "no political rights whatsoever."

Market slows price rises, Pro's assert

BOTH LABOUR and Tory pro-Marketeers claimed last night that Common Market policies had helped to keep price rises lower than they would have been if Britain had been outside the EEC.

World food prices had risen by nearly 96 per cent. since January, 1973. Mr. Anthony Crosland, Environment Secretary, said at Hull. "But British food prices have gone up less than half as fast." Outside the Market, Britain might have to pay "hugely over the odds for essential foodstuffs."

At Wigton, Mr. William Whitelaw, deputy leader of the Conservative Party, said anti-Marketeers quoted Norway and Sweden as non-members of EEC where prices rose more slowly, "but they never mention that prices in those countries were and are much higher than ours in Britain."

Pro and Anti Ministers to share shows

By Philip Rawstorne

THE CABINET has revised its guidelines to allow pro-Market and anti-Market Labour Ministers to appear together on television and radio programmes.

A ban will remain on Ministers from the two sides appearing on the same platform at public meetings during the referendum campaign.

The new rules, brought into operation yesterday, will restrict joint appearances until June 1 to pre-recorded film and radio interviews used in the same programme.

But from June 1, Ministers with opposing views will be able to take part in live discussion programmes together, although the Prime Minister has re-emphasised that the debate must be kept to the issues of EEC membership and must not involve any personal attacks.

Guidelines

The changes in the guidelines come after pressure from the pro-Market majority of Ministers in the Cabinet who considered that the previous rules had been operating in favour of the anti-Marketeers.

Because of the ban on joint appearances, it was claimed that anti-Market Ministers invariably took part in programmes with Conservative and Liberal pro-Marketeers and that the Government's pro-Market case was not being given a fair hearing.

Wilson denies secret steel talks

BY PHILIP RAWSTORNE

MR. HAROLD WILSON strongly denied yesterday suggestions that the Government or the British Steel Corporation had taken part in secret talks with the EEC Commission to defer Community action on the steel industry's problems until after the referendum.

The Prime Minister, in a letter to Mr. Eric Heffer, former Minister for Industry, repeated that he could not accept that the Government had lost control over the industry as a result of EEC membership.

The EEC Commission had made it clear that although it considered the situation in the industry to be serious, it did not amount to a "manifest crisis" in the terms of Article 58 of the Treaty of Paris.

Confirmed

It had also confirmed the U.K. view that action under Article 58 to introduce a system of production quotas could be taken only with the agreement of a British Minister in the EEC Council.

"No British Minister would agree to any decision in the Council which would damage the interests of the British steel industry," the Prime Minister said.

Mr Wilson reaffirmed the Government's view that there was nothing in the EEC treaties or policies that precluded any further nationalisation measures, and that any problems of prices, mergers or private investment could be resolved.

Replying to Mr. Heffer's claim that BSC documents in 1971 had predicted widespread job losses if the country entered the EEC, the Prime Minister confirmed BSC's denial that such documents had been prepared.

Departmental records showed that the Government at that time had requested the corporation's views, but it had been unable, a few weeks after nationalisation, to analyse the effects of entry or present a considered opinion. Its reply had simply concluded that a transitional period would be required.

Two of the papers named by Mr. Heffer were staff papers which had never been considered by the BSC Board and did not represent its views. No trace had been found of the third.

"I can see no useful purpose in publishing any papers prepared in the different circumstances of past years," Mr. Wilson added.

It was announced from Downing Street yesterday that the Prime Minister will be speaking at seven public meetings on the EEC in the next two weeks.

He will speak next week at Dewsbury, Long Ditton (Surrey) and Bedworth (West Midlands). In the four days before the referendum he will address rallies in Manchester, Glasgow, London and Cardiff.

'State must control industry'

CONTROL OVER development of Britain's steel industry must stay firmly in Government hands, Mr. John Morris, Welsh Secretary, said last night. He told his constituents in the steel town of Port Talbot: "I have no doubt that the British—and Welsh—steel industry can now operate successfully within the European coal and steel community."

Mr. George Wright, secretary of the Wales TUC and "Wales get Britain out campaign" said, meanwhile, that it was wrong to claim European investment was helping the British steel industry.

Mr. Morris said: "The fears I and others expressed some years ago . . . need no longer hold us back. I believe it would be excessively disruptive to the steel industry if we now came out of the Community."

"There is no question that it is this Government that controls which way the steel industry of this country will go. We hold 100 per cent. of the shares in the British Steel Corporation and can use our full influence in that capacity."

Community membership had not hampered the ability of Welsh people to inject a regional view into planning of steel development.

Mr. Wright said that EEC Commissioner, Mr. George Thomson, was wrong in his claim that investment from Europe was helping the British steel industry. Imports of steel from EEC countries last year were valued at £429m., while exports to the EEC were valued at £136m.—a deficit of £223m.

"This demonstrates that the rate of import is seriously affecting the steel industry," he said. Flagrant dumping from the EEC was taking place in this industry.

Mr. Thomson's statement that £70m. was going into Wales in grants and loans from the EEC was a gross distortion. Funds from all EEC sources that could be possibly identified as going to Wales in 1973 and 1974 were £32m.

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SATURDAY, MAY 24, 1975

Renegotiation in the air

THE MARKETS have moved jerkily but on the whole upwards this week: the 30-share industrial index touched a high point for the year, the Gold Mines index touched an all-time high, and short-dated gilts have also become a little firmer. The reason for the show of interest in short gilts, which may seem to be at variance with the inflation-dominated demand for equities and gold shares, is simply a further fall in both U.S. and German interest rates, based on a more pessimistic assessment than before of the immediate industrial prospect. This drop in overseas interest rates has also helped to stop the downward drift of the sterling exchange rate and to keep the Bank of England's minimum lending rate unchanged.

The main news of the week, however, has had to do with inflation and has been given a particular tang by what appears to be an increasing readiness on the part of Government, TUC and CBI alike to begin discussing some new framework to take the place of the social contract. First, the latest wages and earnings figures, though distorted by special factors of one kind or another, suggest that the growth of earnings may be slowing down as the increase in retail prices is actually accelerating. This could, of course, be the excuse for giving another twist to the wage-price spiral. But it could also, if there is now sufficient popular recognition of the interconnection between wages and prices, be an occasion for moving in decisively to break the spiral.

Unemployment

Second, the latest figures from the Department of Employment show that the underlying trend of unemployment is still rising, if anything more steeply, and that there has at the same time been a sharp decrease in the number of unfilled job vacancies and a sharp increase in the amount of short-time working. It is true that the reality behind the unemployment trend is temporarily disguised to some extent by the purely seasonal demand for labour, that growing unemployment in the private sector has little direct effect on the push for higher pay in the public sector, and that the idea of a precise relationship between the level of unemployment and the rate at which wages rise is no longer fashionable. But there can be little doubt that this rise in unemployment, and the refusal of the Government to offset it by stimulating home demand, has had its effect on the climate of opinion among trade unionists and their leaders.

That, perhaps, is why not only has the Prime Minister suggested that there should be an early resumption of talks with both sides of industry, and the CBI put forward a plan—which includes an agreed ceiling on wage settlements—for bringing the rate of inflation down to 5 per cent. over a period of three years, but union leaders have themselves begun to air new ideas. One, associated with the name of Mr. Jones, is that there should be a flat money ceiling on wage increases for the coming year. This is clearly unlikely to be acceptable to skilled workers, and Mr. Clive Jenkins has proposed instead an index-linked flat rate increase plus a second element varying with the particular job.

These two ideas are to be elaborated in greater detail and then considered by the TUC General Council with a view to putting forward fresh policy recommendations to the TUC Congress in the autumn. But the social contract failed to produce all that was originally hoped from it, and the present situation is too dangerous to allow a new TUC initiative to play more than a supporting role in economic policy.

Two points, above all, should be utterly clear. The first is that voluntary agreement on some kind of new social contract cannot be the excuse for any general reflation of demand while U.K. inflation is proceeding at a pace much faster than that which our main overseas competitors have now achieved. Second, large, genuine and lasting cuts in public expenditure must be introduced as soon as possible. The determination of trade unionists to maintain their real personal purchasing power demonstrates that they are more interested in their own real wages than in the so-called "social wage," a mere euphemism for public expenditure, which will accordingly have to be cut much more drastically than many people yet realise. These cuts will be the real test of the Government's determination to bring inflation under control.

Support among farmers in favour of the EEC masks various apprehensions, writes John Cherrington

Why most British farmers prefer to stay in Europe

SOME WEEKS ago the Council of the National Farmers Union voted almost unanimously that the interests of British farming would best be served by this country's remaining in the EEC. In this the Council was probably reflecting the views of the great majority of farmers, who feel that they would be better off financially under the Common Agricultural Policy, with substantially higher guaranteed prices, than under the British system of Price Reviews and deficiency payments which had operated since the war.

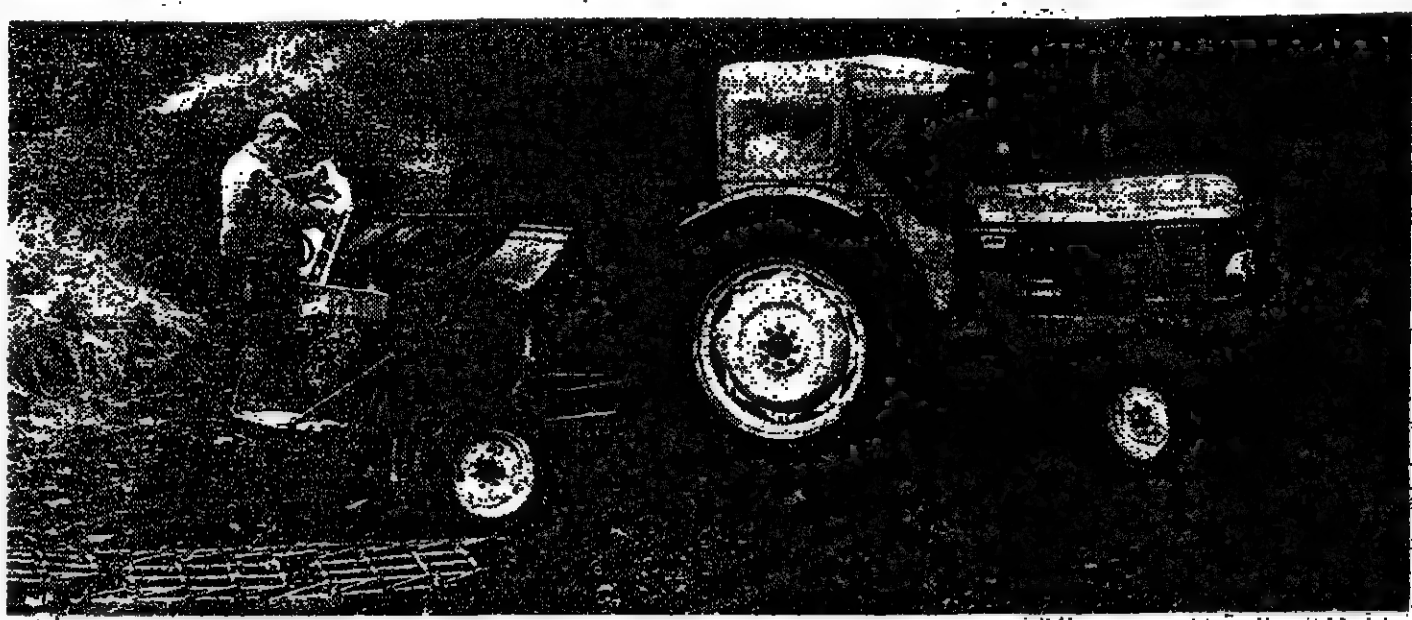
Farmers are aware that the CAP was not designed to ensure cheap food for the consumer, as was the British system, but to benefit the farmers of the Community, and to bring their standard of living up to that of industrial workers. They are also sure, and have often been told, that they are more efficient than farmers on the Continent and that, as their farms are larger, they will get an added advantage from the generally higher price levels in the Community.

High food prices

Faith in these advantages persists, even though the first two years of membership have disappointed them. To begin with, the Heath Government refused to adopt the Community price levels until 1978, instead of immediately after entry as happened in Denmark. The so-called Intervening Transitional Period laid down a scale of rising prices which would indeed have been satisfactory, if costs had not rocketed in the meantime. The rise in the price of feeding stuffs deriving from the huge Russian grain purchases of 1972/73 hit the livestock sector, which is responsible for 65 per cent. of output, with particular severity.

The position was helped by Government and EEC action in raising prices and special subsidies, but in many farmers' eyes the action taken was too little and too late. This was particularly so with beef when prices fell catastrophically during 1974. Farmers are increasingly suspicious that the Minister of Agriculture, Mr. Fred Peart, is still thinking of the political implications of high food prices. They point out that most of the measures taken so far have been as much to the benefit of the consumer as of the farmer.

They are also incensed by the effect of what is called the "Green"—or to many farmers — "Phoney" — pound. Farm prices are fixed in Brussels in Units of Account, and these are then converted into national currencies at pre-determined rates. They point out that the "Green £" is still fixed at 1.95 units of account when its real value, because of the fall in the value of sterling, should be 1.75 units of account. This means,



according to the NFU, that prices for products fixed by the Community are 14½ per cent. lower here than they would be if the true rate was used.

On the other hand, the Transitional Period has certainly sheltered the consumer. Although the net effect of EEC membership on food prices has been broadly neutral, given world market movements, according to a report by the Federal Trust, the operation of the Transitional Period saved the consumer some £800m. over the first two years. This resulted very largely from the subsidies, called Accession Compensatory Amounts, paid to enable food produced in the Community to be sold here at current prices.

Sterling values

For instance, the butter intervention price in Europe is about £400 more than that here under the Transitional Price levels. This means that butter imported from Europe carries this as a subsidy, to which is added the Monetary Compensatory Amount due to the fall in sterling values. In 1974 Britain took more than 300,000 tons of Community butter and a considerable number of other products as well.

These export subsidies are due to be phased out by 1978. Whether the consumer will pay the increased prices then necessary, around 60p per pound for butter, is an interesting question. The expectation, according to Sir James Barker, chairman of Unigate, in a recent speech, is that consumption will fall by about 40 per cent.

The dairy product situation could well decide the future development of British farming under the CAP. Dairying is an important branch of the industry, with about 20 per cent. of sales, and is a valuable source of beef as well. Milk production is particularly suited to the grassland areas of the West of England. This has been recognised in the recent White Paper, *Food from our own Resources*, which envisaged a 20 per cent. increase in production, much of which would have to go to butter and cheese as the liquid market is fully supplied.

But butter and cheese are already in overall surplus in the Community, and there are no markets other than the British to take them, even with heavy subsidies. The cost of the whole EEC dairy regulation scheme is now between £800m. and £1bn., about half the total farm budget, and likely to rise further.

British dairy farmers, and the British dairy product industry had what can only be called the delusion that, because their farms and herds were larger, they had an advantage over the Europeans. This is not so. Sheer size or structure is not paramount. What counts is output per cow and per acre, and in most farming areas of Western Europe this is at least equal to the average British level and in some cases exceeds it. If more pundits and politicians spent their holidays in European farming areas, and not in the mountains among the remnants of the peasants, they would realise this.

The only circumstance in which competition from Britain could push European farmers out of business would be if there were price reductions. These would have to be substantial because experience in the past has shown that a reduction in milk prices tends to increase production. Any suggestion of this would make European farmers bring such pressure on their Governments that national quotas would be a more likely outcome.

Indeed, it is arguable that the whole idea that British farmers have a competitive edge over the Europeans is founded on a misconception. They are efficient, but this efficiency, while due in part to their ability to survive during the previous low-price era, also resulted from the cheapness of their inputs. Land, fertilisers, feeding stuffs and machinery used to be cheaper here, in general, than anywhere else in Europe. Now that this situation is changing, life could be very different.

Take, for instance, pigs and poultry, which together provide about 24 per cent. of total farm sales. Both which have been efficient industries in Britain, highly specialised and dependent on cheap feeding stuffs. Only in Denmark, Holland and Belgium, countries which had access to cheap feeding stuffs at world prices before the EEC came into being, did production reach the British standard of efficiency.

Boom and slump

By 1978 all feed costs will be more or less the same. This would not matter so much if each country was self-sufficient, but in the Community the cyclical, boom and slump which has always characterised these products could be very much worse. There would be no possibility of protecting individual markets from floods of imports from within the Nine.

There is, moreover, no guarantee for these products in the Community, except protection from imports from third countries. When asked about this, M. Pierre Lardinois, the EEC Agricultural Commissioner, stated that he was against the principle of giving guarantees for these products on the same lines as for cereals or milk. This was on the grounds that cereals and milk were to some extent limited by the acreage available in Europe, whereas specialist pig and poultry farmers could import unlimited quantities of feed from overseas sources and so drive production beyond the bounds of reason. He preferred pigs and poultry as products of the mixed farm and not of the specialist.

Optimum amounts

Only British arable farming should gain materially by full membership. Community grain prices are guaranteed at well above the British and present world levels and are likely to remain so. Although the climate here is not as suitable for cereals as in much of France for instance, the higher price is likely to enable farmers to use the optimum amounts of fertilisers and sprays to get high yields. It will also mean that farms with smaller acreages, at present milking cows perhaps, will become viable for cereal growing. In France, 150 acres is a viable cereal farm; in the U.K. at least double that acreage has in the past been necessary.

Because the Community, including Britain, is still a net importer of cereals, it should be some time before the problems of over-production hit this sector, although a projection of yield increases over the past 20 years indicates that future self-sufficiency in grain is a distinct possibility.

Where British farmers are at a distinct disadvantage compared to Continental farmers is in their tax burden, not only for income tax, which in France for instance is assessed on a much more generous basis to the farmer, but also in capital taxation. No other country imposes on farmers wealth, capital transfer and capital gains taxes to the extent that is done here. The effect of these taxes is going to be increasingly severe over the years. Farmers who wish to avoid them will have to make provision for this. This will reduce the amount available for investment in actual farming, and this must affect their competitive position.

Monetary union

Some experts believe that a common price system can never work given the climatic, soil and social differences of the agriculture of the original Six members, let alone the enlarged Community. In addition, the failure to achieve monetary union has led to a confusion of exchange rates which, on this view, will be almost impossible to cope with. The differing national aids, some of them without the consent of the rest of the Community, and the failure to harmonise fiscal policies make a really common farm policy an objective which gets steadily further from achievement, the argument goes on, so that eventually national policies will take over, inside a common tariff barrier.

Clearly British farmers as a whole do not accept all these lines of argument, despite their complaints on specific issues. The verdict of the NFU Council shows that. But many of the farmers in favour of EEC membership, and certainly some of their leaders, share at least part of this apprehension. Indeed, Sir Henry Plumb, president of the NFU, recently went on record as saying that a genuine common agricultural policy was an impossibility until monetary union was achieved. At the same time, he and other farmers believe that it is only by belonging to the EEC, where farmers have more political influence than in Britain, that the interests of British farmers can be adequately cared for.

Perhaps what really swung the vote at that vital NFU meeting was the fear that a Britain outside the Common Market would open its doors to dumped food from all over the world when it became available, and that this in its turn would leave farmers at the mercy of the politicians and the Treasury as they were for most of the 1960s. They do not want to go back to that again.

Letters to the Editor

Speaking up

From the chairman,
Dixon's Photographic.

Sir,—Not surprisingly, we are starting to get pre-referendum excuses as to why the anti-Common Marketeers are going to lose. Naturally, it is because of unfair treatment.

Excuses that employers are influencing their staff are quoted in this context. Presumably, we are meant to withhold our comments to our employees; to hide the facts; to pretend that the consequences of withdrawal will be other than that which we genuinely believe. Perhaps only journalists have the prerogative to present arguments.

Well, I for one, completely reject a passive approach. It is my prime responsibility to be concerned about the future of my company and its employees, and I will shout from the rooftops and will not be stifled in warning them of the effects of withdrawal.

Mr. C. Gordon Tether's arguments (May 19) are so tenuous as to be almost laughable, but as they take up space in your very responsible journal, they must be answered. And so the response will be that the business community will fight and fight with every weapon at its disposal to ensure that the exponents of withdrawal do not lead us into disaster. Yes, C. G. T. . . . disaster.

Stanley Kalms.
Dixons Photographic,
Dixon House, 18-24, High Street,
Edgware, Midlesex.

Other markets

From The Chairman,
Exchange Travel (Holdings).

Sir,—We are constantly being told that the future of this nation must be in an association of countries rather than to continue fighting as an individual unit. When it comes to trade, surely Europe is the last place on earth we should be looking at, where all the nations are producing almost identical goods at more or less identical prices and therefore there can be no real long-term market advantage to any of them.

If, however, we formed an association with under-developed countries then one could see some sense in the argument because here are countries that have for export, cocoa, sugar, fruit, cereals, metal ores, etc., etc., whereas they are desperately in need of capital goods and every form of consumer manufactured article. In addition, they are being given monetary aid by every wealthy country in the world particularly the oil-producing countries where the aid is definitely in the form of money as the oil producers rarely have capital goods or other manufactures to export.

It seems that here is a heaven sent opportunity for Great Britain to use its entire resources to create, not an empire in the old sense where exploitation was the rule, but an economic empire which ultimately would not only feed us but would take our entire export trade. We should be investing in the creation of fertile land out of the world's deserts in exchange for the produce we need.

Such an economic empire would not have the political strings attached to it that are so obvious in the future of Europe nor would it be considered to be a power bloc threatening the other major power blocs of the world. Furthermore, our efforts in this direction would be not only of benefit to us but of substantial benefit to the millions of deprived people in these under-developed nations.

G. L. McNally.
Exchange House,
Parker Road,
Hastings, East Sussex.

British Leyland

From Mr. E. Stanley.

Sir,—Having attended several public meetings of this company, I have discovered that it is impossible for the individual shareholder to do anything other than voice an opinion, for, without exception, Lord Stokes has been able to announce that he held proxy votes (presumably from the large institutional shareholders) giving the necessary majority to rubber stamp all business.

In view of the large number of individual shareholders, may I please appeal to the large institutional shareholders and others not to complete their forms of proxy but to attend the meetings personally and, after hearing the views of the many shareholders to then vote accordingly. The next few meetings are bound to be of the greatest importance to shareholders and employees of the company, and it is only fair that the utmost democracy is shown to the many small retired investors living on fixed diminishing incomes.

The value of the shares on a going concern basis at September 30, 1974, and projected to July 31, 1975, are:—

	£	£
Issued share capital		148,336
Reserves	111,877	
Revaluation of property (£212,000-£64,000)	148,000	259,877
Net worth of company = being 68p per share at September 30, 1974.		408,213 at September 30, 1974
Less: Losses to 31.3.75 ..	43,000	
Losses to 31.7.75, say	7,000	50,000
Net worth of company =		358,213 at July 31, 1975

being 60p per share at July 31, 1975.

Bearing in mind the Ryder Report proposals, may I suggest a scrip issue of one-for-one before making the rights issue. This will then effectively allocate the reserves of the company to the shareholders to whom they belong.

A comparison of the shareholding position before and after the scrip issue is:—

	Before scrip issue £	Percentage shareholding	After scrip issue £	Percentage Shareholding
Other shareholders	148,000	43%	296,000	60%
Government	200,000	57%	200,000	40%
	348,000		496,000	

The scrip issue procedure would then leave voting control in the hands of the individual shareholders and ensure that democracy has been achieved, while at the same time allow the Government to equitably buy its way into the company.

E. W. Stanley.
71, Lower Icknield Way,
Chinnor, Oxford.

Forward looking

From Mr. J. Robertson.

Sir,—I have no objection to Gordon Tether (Lombard, May 15) quoting my recent book "Profit Or People?" in his defence of Mr. Wedgwood Benn's proposals for British industry. But may I make clear in your columns, as I do in the book itself, that I dislike the idea of an industrial economy run by politicians, civil servants, trade union leaders and the heads of public corporations and national Boards almost as much as I dislike the idea of one that is run by big businessmen, bankers and financiers from the CBI and the City of London?

Either of these variants of the centralised male-dominated corporate state is likely to encourage backward-looking vested interests to try to determine the shape of the future in the image of the past. Both are alienating for the great majority of people; and both tend to set different sections of society in conflict with one another. In neither are top men—like Mr Benn, Sir Monty Finniston, Hugh Scanlon, Lord Watkinson, or the Governor of the Bank of England—effectively held accountable for how they use their power and what they do with other people's money. Neither version of the corporate state combines financial responsibility in government with social responsibility in business and finance.

Perhaps the main challenge facing the human race to-day in the social economic and political sphere is to develop new institutions for balancing competing interests. Comparable challenges are to evolve a more sustainable balance between mankind and nature; and a saner balance in the minds and personal lives of individual men and women. When seen in that perspective, Mr. Benn's frenzied activities may seem a little more forward-looking than the complacent inertia of Mr. Tether's City tycoons—but not very much.

James Robertson,
21, Phillimore Place, W.8.

Mortgages

From Mr. D. Gunn

Sir,—All the trends indicate that the building societies are about to have too much money and at the same time do not want to lend it all out in a way that will encourage another price spiral.

An early move they should take that will also help the economy must be to increase their mortgage ceiling beyond the current £13,000 to, say, £20,000 for the large and unpublicised number of people who need this money to extend or improve their houses (with no intention of selling) and to give valuable work to the currently hard pressed small-medium sized builder in the process.

Such a move would not add to inflation, would reduce redundancies in the construction industry and as a by-product might add some life to the stagnant middle priced housing market.

David Gunn
Oak Tree Farm,
Newtown,
Fareham,
Hampshire.

Electoral reform

From The Director,
Electoral Reform Society.

Sir,—Samuel Brittan says (May 15) that the parties are able to "impose partisan beliefs" because of "an electoral system heavily biased in favour of the two main parties." Yes, but that is not all. Not only does the system put obstacles in the way of choosing a third party, it also prevents any choice between different tendencies within the same party.

Take, for instance, a strongly anti-Conservative voter who wants Labour to continue in office but thinks its Left wing is getting too much influence. What can he do about it? By his vote, absolutely nothing. He can only vote for the one Labour candidate in the constituency where he happens to live—for, say, Mr Wedgwood Benn if he is in Bristol South East, for a candidate of in some respects opposite opinions if he is just across the boundary in North East.

If Bristol were one constituency, electing its five MPs by the single transferable vote, a Labour voter anywhere in the city would have a free choice among candidates of different shades within his preferred party and, of course, so would voters of any other party. It would no longer matter if there were only two parties for the voters could, if they wished, keep the same party in power but produce a change in its policy by, for instance, electing fewer Left-wing MPs and more Right-wingers or the reverse.

Enid Lakeman,
Electoral Reform Society,
6, Chancel Street,
Southwark, S.E.1.

Union ballots

From Mr. A Black.

Sir,—You report (May 21) that Mr. Wilson is prepared to consider using taxpayers' money to help the unions to meet the cost of postal ballots. Is this the way this Government is paying lip-service to "efforts to combat inflation"?

Instead of finding ways and means and excuses to give the unions more and more of the taxpayers' money I suggest that a full investigation into the funds of the unions should be made forthwith. A full investigation is also required to ascertain to what use the immense income of the various unions is put; what salaries and perks are paid to officials and for what.

Whereas the matter is, in my opinion, urgent I presume there would be little hope of this Government taking any such steps!

A. Black.
Lloyds Bank Chambers,
115, High Street,
Weston-Super-Mare, Avon.

هكذا امنه الأصل

FINANCIAL TIMES SURVEY

Saturday, May 24th, 1975

Building Societies

Building societies are celebrating their bi-centenary this year in grand style. They are attracting very large sums from the investing public and are very well placed to satisfy the home-owning aspirations of the British public.

Riding a crest

By MICHAEL CASSELL

THE EXTENT of the building societies' success, unparalleled anywhere else in the world, is inevitably overlooked during the detailed and continuing analysis of their policies and performances and while events have proved the movement as a whole to be innately conservative and, accordingly, slow to adapt in an ever-changing world, much of the criticism pales alongside the story of its expansion and growing influence.

It is a measure of their recent success that societies could write off 1974 as an extremely disappointing year when, in fact, they managed to take in over £6bn. from investors — a third more than just three years previously—and advance nearly £6bn. to 435,000 people wishing to buy their own homes. Britain's largest building society alone lent over £620m. last year and by the end of 1974 had assets of £3.7bn.

But, if nothing else, 1974 made societies realise that the unprecedented growth rate experienced in the preceding few years could not continue as of right, although 1975 already looks certain to go down as another very successful period. With less than five months behind it, the movement expects advances this year to top the £6bn. mark and hopes to help upwards of ½m. people purchase a home.

For the moment, societies are plainly astonished by their current progress. The figures released only a week ago showed that the movement had broken just about every record in the book during April, with gross receipts in just one month climbing to nearly £1bn. and net receipts rising by 50 per cent. above the previous monthly peak. Mortgage advances crept close to £400m. and another £466m. was approved, the largest total ever achieved in one month.

But despite the success, societies have refused to allow their memories to become clouded by current events. They remember only too well that a little over a year ago, they were being forced to pay out more over the counter than they were managing to attract in. The problem arose as a result of a non-competitive interest rate structure which societies were not allowed to change because of the repercussions for the borrower.

Paid off

The solution eventually came in the form of a repayable government grant which gambled on the fact that competitive interest rates would fall and societies would again prove attractive to investors. And although the gamble paid off there are few people in the building society movement who relish any repetition of similar events.

It is in fact the sheer size of the building society world to-day which in itself has complicated life and, to some extent ensured that societies no longer remain in complete control of their own destinies.

The fortunes of the movement now have a direct and sometimes substantial effect on millions of present and potential home owners, as well as on the house building industry itself, and the comparatively recent realisation of the extent of this influence has changed many of the old rules.

At this very moment, for example, when the tide is not only flowing their way but threatening to engulf them in waves of excess funds, the building societies are concerned. For they know that the Government of the day now not only expects them to provide the essential finance for expanding home ownership but that the movement must accept far wider responsibilities in respect of the housing market's continuing development. It is widely believed that building societies were largely responsible for the last house price boom three years ago, as well as the resulting collapse in the building programme, and while the societies themselves will argue quite effectively that they were only partially responsible, they have nevertheless now accepted a greater role in determining future housing trends.

Given this increased level of responsibility, societies find themselves looking far more closely at the potential repercussions of their actions and attempting to influence future developments rather than tackle them as they arise.

With this objective in mind, the Building Societies Association and the Government have, through the somewhat controversial joint advisory committee, been maintaining a regular dialogue to accumulate information about the flow of funds, house prices, mortgage demand and housing starts and completions. In this way it is hoped to achieve the sort of "orderly housing programme," to which the present Secretary for the Environment, Mr. Anthony Crosland, has so regularly referred but which has so far eluded everyone.

It is against this background that societies are now operating and why, despite their overwhelming successes at the present time, they find themselves in a tricky position. Such has been the flood of funds made available for home loans that some wise management is now essential if further difficulties for the housing market are not to arise later this year.

Societies have to perform a particularly difficult balancing act at the present time, trying to feed the market with sufficient finance to encourage house builders out of the worst recession for over 20 years and yet knowing that if too much money is pushed into a restricted market, another round of substantial price increases—though not necessarily as alarming as in 1972—could quickly be triggered off.

For the moment, there is little immediate danger. The large stock of unsold homes which has accumulated over the past two years in the new and second hand housing markets is still a long way from being removed altogether and, despite the lengthy list of mortgage applications, demand is still slack in relation to supply. In addition house prices are still historically expensive in relation to income, though this position seems unlikely to last much longer.

In a traditional response to a healthy flow of funds, societies have been building up liquidity levels in recent months rather than releasing all the money which the inflow could justify. Not only are they worried about the effects of releasing too much money at the present time—statements to the effect that they cannot meet demand are largely the result of choice rather than necessity—but there is a growing conviction that circumstances might be considerably less buoyant later this year.

If the inflow of investors' cash does continue to reach such startling levels in the next few months, societies know that the use of liquidity as a handy storage tank does have its limitations and alternative action might have to be considered. Again, tradition would have it that the societies' interest rate structure—investors are already set to get 0.5 per cent. less on their money from June 1—would be changed in order to reduce the volume of incoming funds.

But in the belief that competitive interest rates could soon start to rise again, societies are loathe to take any action which may quickly leave them out of step and which would have—as at the beginning of 1974—a disastrous effect on the flow of funds. In any case, they have to see what effect the reduction in rates next month will have on their ability to attract money, although the announcement rather than the implementation of a slightly less attractive deal for the borrower has clearly had no effect.

One alternative to the present dilemma would be for societies to call a halt to the build-up of liquidity levels and to seek some form of centralised fund into which cash could be put to attract an agreed rate of interest. Such an arrangement would presumably involve the Bank of England and, while it could provide the solution, societies might find it extremely difficult to have to suggest a scheme which was originally envisaged by the Government but which the movement has resisted for so long.

The most likely course of action, however, would seem to be a decision to do absolutely nothing at all for the time being, to use the large volume of funds to meet demand and maintain high liquidity levels and to wait and watch what happens elsewhere. If other interest rates do begin to rise, the embarrassment of too high an inflow will soon disappear and attention might then have to be directed in another direction altogether.

Societies could once again find themselves seriously out of line in the money market and another shortage of mortgage finance would arise, unless they were allowed to push up their own interest rates, so raising the cost of home loans. It is the suspicion that, once again, they would not be given complete freedom to do as they thought best, which now makes them wary of taking any decision that might later have to be altered.

Minimise

It is the potential problems which lie ahead, rather than the present position, which now governs the societies' attitudes and, consequently, every effort is being made to ensure that if circumstances take a turn for the worse then the movement will be able to minimise the impact on prices and on building activity with a steady release of accumulated funds. Clearly, any further let-down for an already extremely sensitive house building industry could have long-lasting repercussions on the future housing market.

Building societies are correct when they emphasise that the availability of mortgage finance does not by itself dictate the progress of the private housing sector and the rate of price increases, but recent events have forceably reminded the movement of the magnitude of its financial and social responsibilities.

Builders in trouble

THE PRIVATE housing industry has spent the best part of two years in sharp decline or complete stagnation, but the enormity of the nation's general economic problems seems to have overwhelmed the sector's desperate plight.

There can be few times in the past when builders have made as many urgent cries for help and when assistance has been more genuinely needed. But the Government's actions have been governed by the country's mounting financial crisis and the most house builders have received for their efforts are sporadic attempts at limited, and usually indirect, help. There are those, in fact, who claim that many of the policies introduced or planned by the present administration have only compounded the problems and that the future looks bleak.

Following the unparalleled boom in house prices in 1972 and the high level of housing output which lasted for two years, the market went into sharp reverse in the following 12 months as prices shot ahead of incomes and house purchase appeared to lose its attraction almost overnight.

Last year, the house builders started work on only 251,000 homes against 327,000 in the previous 12 months, with starts in the private sector down from 225,000 to under 105,000—the lowest total since 1953. Total housing completions in 1974 fell back less dramatically from 294,000 to 269,000, with the private sector totally responsible. Fewer than 140,000 homes were finished compared with 186,000 in the preceding 12 months and the worst performance since 1958 would have been lower still but for an improvement in council housing.

In 1972, house builders had been fully stretched starting work on over 350,000 homes and completing 320,000, but by the end of last year the industry was barely ticking over.

There have, however, in the early part of this year been the first signs of a significant change in the situation and although many observers might be anxious to begin predicting another substantial upturn in housing output and a sharp increase in prices, there is clearly still a long way to go before this happens.

The encouraging evidence has come from both the Department of the Environment and the National House-Building Council, and although the figures differ they both suggest that the industry has clearly bottomed out. The NHBC reported earlier this week that in the first four months of this year private housing starts increased by 28 per cent. to 41,605 compared with the same period a year earlier. The Council expects that, on present trends, starts this year should exceed 100,000, with completions reaching around 150,000, so although an improvement seems likely it will apparently be of minor proportions, a view to which most companies and building trade bodies would now subscribe.

Lending

There is no doubt that house sales have picked up substantially in the past few months as building societies continue to step up lending programmes and some degree of confidence, though still very definitely limited, is returning to the house builders. Other figures this week showed that new house prices in the first quarter of this year rose by a modest 3 per cent., though after a year when prices overall stood still, such a development might provide an added stimulus to start new schemes.

Just how the market does develop will depend to a great extent on what happens to the building societies in the coming months and to their joint attempts with the government to stimulate but not overheat the housing sector.

For the time being, societies and Government are happy to see mortgage advances and commitments reaching record levels, for the supply of new and second hand homes is plentiful and they believe that this time they will be poised to act if it appears that the flow of finance begins to have a marked effect on prices. Both parties are extremely anxious to restore the builders' lost confidence, and it was with this particular point in mind that the Government, in January, gave a commitment to ensure that a stable flow of building finance could in future be expected. The plan, it said, would end the alternating periods of feast and famine through which societies have gone and builders could be sure that if they started work on homes, the necessary finance would be available on completion.

Since the proposal was announced, any further discussion about the detailed way in which it would operate has been unnecessary such has been the inflow of funds, although the plan may adopt far greater significance later this year.

It would presumably be based on the Government's last major excursion into the building society world early in 1974 when it stepped in with a grant to prevent interest rate changes but help maintain lending levels. The societies' recent experiences have been such that they had little difficulty in repaying the loan in the prescribed period, but there are fears that they might not be so fortunate if a similar arrangement again became necessary.

At the time of the Government's announcement, there was also reference to the fact that, in search of the oft-sought-after but elusive stabilisation of housing finance, the Government might in addition expect to see a device for retaining a percentage of building society funds when these were plentiful, for use when the position was not so buoyant. That device, says the societies, has always existed, has always been used when circumstances permitted, and is known as liquidity.

Their liquid assets, they say, represent an effective ad hoc stabilisation mechanism and it is mounting concern about future economic developments which has led to liquidity levels being built up to near record levels in recent months. To criticism that societies have been holding back funds and disappointing many potential borrowers at a time when money is plentiful, the societies emphasise that they are simply doing what everyone, particularly the Government, is asking of them, namely, to stabilise the release of housing finance. Disappointment for some now, the theory goes, could avoid disaster later.

The present government, however, has never really been convinced that the of liquid assets is the correct answer, although possibly because it wishes to see a system over which it has a greater degree of control, such as the well canvassed stabilisation fund.

The irony of the present situation is that with funds still flooding in at extremely high levels, societies appreciate the cannot continue to build u liquidity levels too far and, i in the near future, they begi to meet effective demand, th surplus volume of funds ma well have to be directed int just the type of stabilisatio bank which the government ha in the past been anxious to se

Mechanism

They certainly do not fee inclined to solve the proble by reducing interest rates cut off the flow of funds source, again because of th conviction that any mone which they can manage t attract should be taken in an held, in some way, until it required. The trouble with an formal stabilisation mechanis is that the decisions surroun ing the timing and extent of it use would prove difficult t make and someone would hav to accept the responsibility fo taking them.

But despite the problem which undoubtedly lie ahea there seems a good chance tha the one thing which everyon wants to avoid—anything ap proaching a repetition of th mad price spiral of 1972—wi be averted. There is ever reason why, in the foreseeabl future, such an explosion woul not in any case recur becaus incomes will not have race sufficiently ahead of prevailin prices.

House prices do, however look set to rise fairly substanti ally in the medium term. Wit incomes increasing substanti ally, there is certain to be a inflationary effect on prices and indeed, significant rises seem necessary if builders' pro grammes are to expand.

For too long, the costs the have faced in erecting home have run well ahead of th prices the market will stand and as demand gathers pace a least a proportion of thos accumulated costs will be passe on. It should, nevertheless, no be forgotten that when the builders last enjoyed a healthy market they were able to sell homes at prices well in exces of the actual costs of construc tion.

Michael Cassel

Relations with Government

AT THE ANNUAL conference of the Building Societies Association a few days ago the association chairman, Mr. Leonard Boyle, indicated the tightrope which the movement has to walk if it is to avoid the Scylla of escalating house prices and the Charybdis of depressed private sector housebuilding. This in a nutshell is the underlying problem which societies face, and it has conditioned most of the recent discussions between the movement and the Government as to how best the housing situation should be managed.

Although the building societies have always been anxious to co-operate with government and have always laid heavy emphasis on the social aspect of their role, the relationship between the movement and government has been an uneasy one. Goodwill can only go so far towards solving apparently insoluble problems, and the situation facing the present Government is a pretty thorny one in political terms.

A year ago the situation was quite different. Then the building societies—on the wrong end of a generally high level of interest rates—were strapped for cash. There was enormous political pressure against any further increase in the rates which societies were able to offer investors since this would have necessitated a further increase in the mortgage rate from the already record level of 11 per cent. On that occasion the emergency solution cobbled together was a £500m. loan from the Government to the building societies.

With the general reduction in interest rates the situation has now altered quite dramatically. Although the ordinary share rate of 7.5 per cent. tax paid (and coming down to 7 per cent. from the beginning of June) can still be regarded as a negative interest rate in real terms the building society investment package is still proving to be one of the most effective in terms of pulling in money.

The result has been that the £500m. loan is all but repaid, and in the meantime net receipts of the movement have rocketed up to previously undreamt-of levels. In March net receipts hit a new monthly record of £274m.: in April they were nearly half as much again at £406m. Now the problem for the societies and the Government to sort out is how much of this cash should be deployed straight away in making new mortgage advances, how much should be retained as some sort of stabilisation fund, and just what form that stabilisation fund should take.

Both will be casting their minds back warily to the events at the beginning of this decade—the last time that the building society movement found itself really flush with cash following a period of mortgage famine. The societies lent the money out almost as fast as they could get it in and the housing market experienced an unprecented boom. The trouble from the Government's point of view was that this boom extended to house prices and in many areas these just about doubled in the space of two years.

The Government obviously wants to avoid any repeat of that situation. But at the same time both the Government and the building societies themselves want to see the proportion of home-owning families extended, and the only way that can be achieved is for the stock of private sector housing to increase. Put simply, the builders must be encouraged to build, and they will not be so encouraged when building costs are rising sharply and the price of second-hand houses remains stagnant.

Buoyancy

The price rises which took place in the early 1970s at least achieved one thing. They brought the price of existing houses to a realistic level compared with the cost of building new houses, so that after the normal time lag buoyancy in the market for existing houses was reflected in a sharp upsurge in new housing starts. In 1972, prompted by the booming market, housing starts reached a level which has not been achieved since.

What the building societies and the Government are now seeking uneasily to achieve is a level of lending which will go at least most of the way to meeting the demand for mortgage funds without sparking off a further spiral in the price of second-hand houses, and yet at the same time will create a sufficiently buoyant market to coax the speculative builder into starting a lot more new houses.

Unfortunately, inflation rears its ugly head to make the balancing of this difficult equation virtually impossible. With the price of existing houses rising only marginally the average price of new houses rose only 6 per cent. between the first quarter of 1974 and the first quarter of this year. Building costs, however, rose by more than 20 per cent. over the same period.

So long as that gap exists it would be unrealistic to expect any dramatic improvement in housing starts. Either the rate of inflation must be curbed or the price of existing houses allowed to rise in line with the cost of building new ones: the only alternative is for housing starts to remain at a depressed level.

There are, however, some recent signs of improvement. The latest statistics from the National House-Building Council indicate that housing starts are up by 28 per cent. for the first four months of 1975 compared with the same period a year ago. This is no doubt due in part to the fact that even if prices have not changed dramatically the situation has got better as far as the builder is concerned because the extra cash which the building societies have been channelling into the mortgage market have had the effect of stepping up activity in the housing market. Therefore there is less chance of a builder being left with completed properties on his books.

Meanwhile, the rest of the net inflow is building up in the liquidity ratio of the movement—which traditionally has been its own form of stabilisation fund. In April the liquidity level was up to 19 per cent., well above what even the most conservative society regards as prudent.

Now the question which the Government and the societies must solve is what should happen to this surplus liquidity if they agree that it should not be immediately lent out. One idea mooted is that the Government should create a special fund into which the societies can channel excess liquidity at an interest rate equal to, or at least closely related to, the mortgage rate.

Some sort of scheme along these lines could ease the internal economic problems of the societies themselves which are currently working on very fine margins. But it does not take us far along the road towards resolving the problem of competing political aims of stable house prices and a healthy private building trade which currently appear to be tying both the Government and the societies into all kinds of knots.

Sandy McLachlan

Mortgage requirements

UPWARDS of 500,000 people can this year be expected to take out a mortgage on their home and while their major preoccupation will be to find a source prepared to lend them the necessary money, the type of loan to be taken up also bears lengthy consideration.

For a mortgage is already an infinitely variable proposition which can be tailored to meet almost any individual house buyer's requirements and it seems likely that the choice available will be expanding in the future.

With around 80 per cent. of all home loans now calculated to come from the building societies, the majority of borrowers find themselves taking out a normal repayment mortgage, which in turn accounts for by far the largest proportion of their loans business. Under the repayment mortgage, the capital advanced and interest element is repayed on a monthly basis over a fixed period of time, ranging up to about 30 to 35 years. The actual life of an average mortgage is, however, almost a quarter of this time.

The interest paid on the loan is liable for tax relief, which can considerably ease the repayment burden, and for most people on average incomes paying the standard rate of tax the repayment mortgage with a building society is usually the best proposition.

The loan is taken on at an interest rate which is recommended at that time by the Building Societies Association but which can be and, as anyone with an interest in the housing market knows, is altered up or down if societies have to adjust their interest rates to remain competitive in the savings market. It is now a well recognised fact that during the last housing "boom" of 1972, many mortgage applicants were allowed to borrow to the maximum capacity as defined by building society rules and in some cases beyond. Shortly afterwards, however, they faced an unprecedented 3 per cent. increase in the loan rate in under a year and the rise undoubtedly placed a substantial financial burden on many mortgage holders, with the cost of buying their homes rising far beyond their original expectations.

For a time, that cost climbed above the average increase in incomes and so helped to stifle the housing market for two years, quite apart from the high initial price of an average home. Incomes now, however, are racing ahead for many people as inflation increases and the cost of house purchase represents a far less onerous burden for the buyer. The very high demand presently being experienced by societies is ample evidence that an 11 per cent. mortgage rate (in effect, less than 7.5 per cent. for the average borrower, after tax relief) is a perfectly feasible proposition for many more people.

Tailored

But a growing number of loans are not based on the normal repayment system and are tailored to help people whose financial limitations might normally exclude them from home ownership or, alternatively, those with high earning abilities who want and can afford a more attractive financial proposition.

At the bottom end of the scale, the option mortgage scheme is available for house buyers who pay little or no income tax. Under this system, the benefits in tax relief which are offered to higher tax payers are given to low wage earners in the form of a lower basic interest rate and this type of mortgage is now established as a sensible, though not universally suitable, method to help some people out.

Much public interest has recently been directed towards a scheme to help another "hard-pressed" sector of the house buying public. In January of this year, the Government announced outline details of a plan which would help first-time buyers clamber on to the private housing ladder, despite some muffled mutterings from societies about how half of all their loans did, in any case, go to this category and so how much more were they supposed to do?

The scheme is nevertheless going ahead, despite some serious misgivings about the low-start concept. Under the plan, the borrower will have to be a first-time buyer and the price of the property must not be more than £14,000 in the south east. No one in the region earning more than £4,800 a year will qualify. Elsewhere, the price limit will be £11,000 and the income ceiling will be £3,800.

Building societies are not obliged to offer the scheme but it seems that most will keep it on hand while not forcefully promoting it. Quite apart from the fact that every low-start mortgage granted will mean an initially lower income for the society, they are genuinely concerned about the very basis on which such a plan operates.

Many society executives will argue that instead of assuming that a young married couple can least afford the high cost of a mortgage at the start of their life together, experience actually shows the reverse to be usually true, with a joint income providing a higher financial status than might later be the case. How will the borrower fare, they ask, if incomes do not meet expectations in later years but the mortgage debt is nevertheless increasing?

Councils

While on the subject of first-time buyers, potential mortgage applicants should not forget that in many cases they find their local council willing to help out, though the latter's ability to do so might now have been seriously undermined by the recent announcement of Government-imposed cuts in local authority home loan schemes. Last year, authorities almost doubled their share of the total mortgage market, to around 13 per cent.

An estimated 400 local councils now offer mortgages and in many cases they are prepared to deal with the type of proposition which building societies might consider to be of a higher-risk nature. For the present, funds from this source might be hard to get, but an inquiry might produce unexpected results.

Moving to the other end of the scale, an alternative to the repayment mortgage under which the debt is gradually reduced over a fixed period is a life policy which is used as a means of building up capital to clear the debt at the end of the day. Each method has advan-

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Attractive to investors

THE TOTAL number of building society accounts has risen by more than five times since 1951, while the average size of the deposit has more than doubled—highlighting the movement's remarkable success since the war in attracting a rising share of a fast-growing personal savings market. However, the real return offered by the societies has been steadily eroded over the years as inflation has accelerated. Rising prices have, as with other savings media, tended to favour the borrower rather than the lender and building society depositors are now seeing the real value of their holdings decline rapidly as the return offered falls even further behind inflation.

This trend seems to be having little impact on savers' attitudes to judge by the very high levels of society net receipts over the past few months, though this also has a lot to do with the competitive situation and general desire for readily realisable assets. The strong hold of societies on British savers has been highlighted in a study *Personal Savings and Wealth in Britain* carried out by Professor E. Victor Morgan of the Economists Advisory Group, and published by the Financial Times Business Enterprise Division.

The study shows that building societies are by far the most popular form of saving other than life assurance, since 22.8 per cent. of the sample of the British population over 16 had deposits. This indicates an aggregate figure significantly lower than the total number of deposits reported by the Chief Registrar of Friendly Societies—so even allowing for multiple and joint holdings, and children under 16, the percentage share may be even higher.

Deposits are more likely to be held by men than by women, and there is a fairly predictable correlation with income, social class and education. Moreover, the average size of accounts is very much larger than for banks or National Savings, since about 24 per cent. of the sample disclosing the size of their accounts held more than £1,000.

Broadening

The societies have, however, been broadening their appeal since the war according to the survey. Thus within the overall trend of rapid growth, the proportion of women members has increased and the societies have also succeeded in attracting many more depositors in the lower income and social class ranges.

There are still significant regional variations and the highest proportion of holders—29 per cent.—is in the south-east outside London and the lowest—9 per cent.—in Scotland. Apart from social class and income variations, this may be partly explained by differences in the proportion of owner-occupiers—strongest in the first area and weakest in the latter. The close connection between having a building society deposit and home ownership not only covers those who want to buy a home and save in order to improve their chance of getting a mortgage, but also includes those actually owning a house. And this in turn takes in not only those who have paid off their mortgage but also a large percentage with an outstanding mortgage, who also have savings with a society.

The societies' success in attracting a high level of deposits is one indication of savers' attitudes but an even more striking pointer contained in the study is the fact that building societies are the most favoured form of possible future investment among equity shareholders—only 3.8 per cent. of the total sample, and presumably considerably more sophisticated financially than the average. Among share owners expecting to continue saving and investing in future, some 37 per cent. said they would be putting their money into societies—the second most favoured outlet being equities with 26 per cent.

Underlined

The appeal of societies was further underlined in the replies to a question asking how share owners would use a windfall amount of £500 and £5,000. Of those who would invest part of the sum, the majority, building societies attracted 41 per cent. of those with £500 and 33 per cent. with £5,000.

The continuing appeal of societies is partly explained by the links with obtaining a mortgage, especially in view of the rapid growth of home ownership since the war. But there also appears to be another broader influence at work as well, given the general point that almost all non-contractual savings have been put into liquid assets of various kinds such as bank accounts and building societies.

This appears to reflect a desire for absolute security in money terms—though not, of course, in real terms—and for the effective availability of money on demand. This inherent caution and suspicion of risk investment has clearly worked in the societies' interests, and they offer the further advantage of simplicity of saving since, for example, interest is credited net of tax.

The societies have also frequently been able to offer a higher return than has been available on small sums—say, under £5,000—from other comparable competitive savings bodies. The bigger gross returns available on gilt-edged and local authority stocks have posed less of a threat since higher minimum sums are required, and it is not so easy to withdraw money quickly.

The most common form of saving with a building society is via a share account, where from the beginning of June the rate of interest net of tax at the standard rate will be 7 per cent., reduced from 7.5 per cent., though some smaller societies will be offering higher returns. This grosses up to 10.77 per cent. at the new standard tax rate of 35 per cent., and is considerably higher than the return now available on a clearing bank deposit after the cuts in bank base rates this year. The cut in the investment rate is much smaller than the falls in other interest rates this year, and so is unlikely of itself to make much difference to the level of net inflow.

The societies have also been trying to attract longer-term sources of finance—and the most important feature is the spread of term shares where a higher interest rate is offered for money deposited for a certain minimum period. The spread of term shares was caused both by the sharp fluctuations in the net inflow in 1973 and 1974 and by the success of guaranteed income bonds before the March, 1974, budget, and local authority yearling bonds throughout last year. The societies' term shares have been a considerable success though some sceptics believe that societies are now merely paying a higher rate of interest for money they would have attracted anyway at the normal share rate.

There are now a wide range of term shares on offer. The Halifax Building Society offers a net return of 8 per cent., after the rate changes, for a minimum sum of £500 for a fixed term of two years. Similar rates are offered by many other societies, though in some cases the return is slightly higher. Regular savings schemes are also available—in some cases operated via SAYE and insurance-linked savings plans.

These interest rates vary in parallel with the shares acount, as in the latest changes, though over the last couple of years building society investment rates have not moved as freely as in the past because the mortgage rate—to which they are broadly linked—has been held down in response to a variety of pressures, mainly political. The latest reduction in the investment rate is partly because of the greater fall in comparable rates and also as a result of the impact of tax changes over the last two years.

Promise

Although the current return is way below the rate of inflation the societies have been able not only to hold their own but to increase their net inflow because of this comparative factor. The situation could change later in the summer, however, since the Government is about to launch its own modest experiments in the area of indexed linked saving via SAYE and retirement bonds linked to the rate of increase of prices. While these bonds are limited in scope, have tough early surrender clauses, and do not offer any current income return, the promise that the real value of savings will be preserved could attract a surprisingly large slice of the savings market.

The success of this Government move—and the rate of inflation — will determine whether the societies respond with their own form of indexed linked savings, though many are extremely cautious at the moment—not least because a higher payment to the investor, whether through index linking or term shares, inevitably means that more has to be charged to the borrower. But if inflation continues at its current rate, the societies may not be able to count indefinitely on the traditional patience and long-suffering attitude of savers towards the erosion of the real value of their capital.

Peter Riddell

BUILDING SOCIETIES IV

Mergers gather speed

THE PACE of building society mergers has been gathering speed in recent months. During 1974 there were more than 20 completed, while another 20 or so were under discussion. In some cases the "marriages" had something of the shot-gun nature about them. Half a dozen of the smaller societies overstretched themselves and as a result their reserves, which are required to be 2.5 per cent. of adjusted assets, fell below that level. The standard reaction of the Chief Registrar of Friendly Societies, who oversees the workings of the building society movement, and the Building Societies Association to such a situation is to arrange that the offender is merged into a larger and stronger society.

The building society merger which probably produced more public reaction than any other in recent years—that between Portman Building Society and the Bournemouth and Christchurch—actually got under way at the insistence of the Registrar after Bournemouth's reserves fell below 2 per cent. of assets instead of the 2.5 per cent. required. This was because of a sharp fall in the value of its gilt-edged investments.

What made the Bournemouth affair so different was the intervention of Mr. James Rowland-Jones, well-known for his crusades on behalf of small shareholders, with a campaign to stop the merger with Portman.

Locality

The essential parts of Mr. Rowland-Jones' arguments were that Bournemouth would lose its own local building society "which has served this locality well for over 100 years" if the merger went through. He also made the point that "if people had wanted to invest in the Portman they could have done so. But they have chosen not to."

He also disputed one of the claims put forward for the merger—that it would increase efficiency. This was not reflected in figures which showed that management costs of the Portman stood at the time at 77p per £100 of assets while those of the Bournemouth were 55p per £100 of assets, said Mr. Rowland-Jones.

While he and his supporters appeared to be making considerable progress, the fact remained that the Registrar was still determined the merger should proceed. At one stage Bournemouth's trustee status was removed by the Registrar, a rare event and one which affects a society's pride more than inflicting any major restriction on its ability to take in money from private individuals. It did, however, provide a way for the Registrar to show his displeasure.

The Building Societies Association was not all that pleased, either, and it was on the cards that Bournemuoth would have been expelled from the association had the matter dragged on much longer.

As it turned out, it was the investors themselves who decided the issue and before any vote was taken. Confidence is a building society's stock-in-trade. Even more than a public company, a building society must keep the goodwill and confidence of its investors. The continued controversy surrounding Bournemouth led to a spate of withdrawals of shareholders' money. Mr. Rowland-Jones had rocked the boat and many of the 6,000 investors dived overboard. He bowed to the circumstances and ended up by recommending that the merger be allowed to go ahead.

All this seems to suggest that there is not much the shareholders in any building society can do to stop a merger that they feel is unnecessary and unwelcome. This is not the case. It so happens that the Bournemouth situation was inspired by the Registrar of Friendly Societies for the reasons already mentioned. That put it into a particular category among building society mergers.

But there is another recent case history which shows shareholders can put a stop to a merger—even at the last moment. The situation in question involved the Eastbourne Mutual Building Society, which had been approached by a number of larger societies with mergers in mind and had always previously turned them down. Then along came Northern Rock and the chance of a merger with a society firmly based in the North seemed to offer just the advantages Eastbourne Mutual was looking for.

A Southern Board would have been retained and so would a Southern Executive, based in Eastbourne. The local interest, understanding and support which the society had long enjoyed would have been maintained.

The courtship between Eastbourne Mutual and Northern Rock went on for six months and agreement was reached on all major matters and a preliminary public announcement of the proposals was made in the local Press. The problem was that the two societies still had to wade through the statutory procedural requirements which have to be observed—including those important discussions with the Registrar. According to the Eastbourne Mutual directors: "There would have been no point or justification in submitting proposals to members with the Board's recommendation and supporting information before that procedure was satisfactorily concluded."

As it happens the last hurdles actually had been cleared and the society was getting ready to send out the full information to members when a letter in a local Eastbourne newspaper upset the applecart. Signed by a former mayor of Eastbourne, together with the chairman and president of the local hotels association and a director of a large Eastbourne company, the letter called for opposition to the merger.

It urged that the interests of investors and borrowers should be protected "by a local society firmly based on local interests" (a similar argument to that later used by Mr. Rowland-Jones at Bournemouth.)

Called off

The Eastbourne Mutual-Northern Rock merger was soon called off. The Eastbourne directors explained: "Clearly the objection to the proposals which have been voiced, though no doubt conscientiously made, have failed to appreciate the full implications and advantages to the society in the long term. A situation has now been created in which it would be wrong for the Board to engage in public debate in a climate of opinion which has prejudged the issue and in a manner invidious to the Board and to our intended partners in the merger. The Board has therefore, and with great regret, decided not to proceed with the proposed merger, although they remain convinced that it would have been in the long term interests of both members and staff. But the Board's first responsibility now is to avoid a situation developing which might be prejudicial to those interests."

The urge to merge among building societies remains as strong as ever, in spite of such set-backs. Faced with the growing need for additional resources, including staff, societies have looked on mergers as the best way of maintaining and, hopefully, improving the range and quality of service to members.

So it was that May Day last year saw the completion of two particularly large mergers. One, between the Leek and Westbourne and the Eastern Counties produced a society with assets of around £525m. The resulting Leek Westbourne and Eastern Counties Building Society is shortly to change this cumbersome appendage to the "Britannia Building Society."

Also completed on May Day, 1974, was the merger of the Leicester Temperance with the Leicester Permanent to form the Leicester Building Society. These two have combined assets of around £580m. and claimed their link-up was the biggest the movement had ever seen.

So in spite of all the problems involved, the mergers seem to roll remorselessly on. Since 1900 the number of societies has dropped from around 2,000 to 416 and, over the past ten years as the branch system developed and speeded up the process, numbers have fallen by a third. The result is that the ten largest societies account for more than 65 per cent. of total assets in the movement and it is anybody's guess just how many of the small- and medium-sized societies will continue into the 1980s.

Kenneth Gooding

First-time buyers

ONE ODDITY of the building society movement is the place accorded to the first-time buyer. It is not an oddity on the part of the societies themselves, but rather of the system; commentators on the housing scene are always parading the plight of the first-time buyer and proving apparently conclusively that the latest set of statistics makes it impossible for young couples to get on to the owner-occupier bandwagon. But just as regularly figures produced by the Building Societies Association prove quite conclusively that around half of all mortgages extended in any given period go to people buying a home of their own for the first time.

It is true that the proportion of mortgages going to the first-time buyer has been declining steadily for years. Even between 1971 and 1974 the first-timers' share in mortgages fell by some 10 per cent., from just over 60 per cent. to just over 50 per cent. This is a trend which the Government finds worrying, but with the substantial increase in residential property prices between those two dates the building societies themselves are secretly quite proud that the figure has stayed as high as it currently is.

Indeed, in the first half of 1974 the first-time buyer staged quite a recovery. Funds were tight and the Government persuaded the building societies to give priority to new entrants to the housing market at the expense of those who simply wanted to trade up the market. In the last quarter of 1973 only 49.5 per cent. of mortgages were for first-timers, while in each of the first two quarters of 1974 the figure was above 53 per cent.

Dramatically

Since then the proportion of first-time buyers has fallen away again, partly, it is suspected, because inflation is having its effects on the ability of people to undertake home ownership. House prices themselves may have remained reasonably stable over the past year or so, but all the other costs implied by house purchase—for example, rates, electricity, gas, water and furnishings and fittings—have all been going up in price dramatically.

But there is another factor at work. With funds becoming much more plentiful the building societies have been able to make many more mortgage advances than they did a year ago, and there is therefore more money to spare for people wanting to change houses. The increased number of these mortgage advances is a contributory cause to the decline in the proportion of first-time buyers to 47.5 per cent. in the last quarter of 1974 and further still to 47.3 per cent. in the first quarter of 1975.

Because of the way building societies classify their mortgage advances it is relatively simple to build up a clear picture of the average first-time buyer, including his age, income bracket, cost of house and size of mortgage.

Even in the last quarter of 1974 almost a third of first-time purchasers were under the age of 25, while nearly a half were aged between 25 and 34. Not surprisingly, only 2 per cent. of those buying for the first time came into the market as late as 55 or over, but there again only 4 per cent. of mortgages granted to existing owner-occupiers went to people in that group.

The income pattern of first-time buyers is quite revealing and indicates for example that even at the current level of house prices around 44 per cent. of first-time buyers manage to buy their house on an income of less than £3,000 a year. A further 18 per cent. have incomes of between £3,000 and £3,500, and less than 30 per cent. are arning over £4,000.

This is reflected in the price of houses which first-time borrowers go for and also the size of the mortgages they take. Some 68 per cent. of new borrowers from building societies go for houses costing less than £10,000. What is rather surprising is that as high a figure as 5 per cent. come into the market for the first time for properties in the £15,000-plus range. More than 80 per cent. of first-time buyers take mortgages which are less than £9,000, and indeed something like 20 per cent. of the total get mortgages of less than £5,000.

These figures suggest that there might be wide regional variations in the ability of people to buy their own homes—depending to some extent on the levl of property prices in different areas. In fact the figures do show differences in various parts of the country—but not always quite in the way one might expect.

For example, in the South East, where property prices are high, new mortgages going to existing home-owners account for 56 per cent. of the total, leaving first-time buyers with just 44 per cent. But what might be rather less expected is the fact that in Greater London—defined as the GLC area—first-time buyers account for just short of 60 per cent. of all mortgages granted.

Declining

All the evidence indicates therefore that first-time buyers are still managing to come forward, find houses within their means, and qualify for an adequate mortgage. It is true that their numbers are declining gradually; there were 394,000 in 1971, but by last year the number had dropped to 221,000.

But 221,000 is still a sizeable number of new home owners, and if the figure does not continue to fall away dramatically then both the Government and the building societies can continue to feel that the first-time buyer is getting a fair crack of the whip.

The attempts by the Government and the societies to regulate the amount of building society lending in order to prevent a new upward spiral in house prices should help to ensure that prices do not again run away from the incomes of people who are saving to buy their first house. The only danger here is that new building may be inhibited and the total supply of dwellings may not increase quickly enough.

Sandy McLachlan

CONTINUED FROM PREVIOUS PAGE

Mortgage

tages and disadvantages and the correct choice can only be reached with regard to individual circumstances. Tax is certainly one major factor to be taken into account, and if the borrower is in a higher income group then it could pay to choose a non-profit endowment policy initially, with a subsequent graduation to a with-profits policy on any further move.

With a non-profit endowment scheme, a life policy is taken out to produce sufficient capital to repay the loan at the end of the chosen term. Interest is paid on the whole of the loan for the entire period of the mortgage and life-cover is built in so the debt is cleared in full in the event of early death.

Two separate sets of payments have to be made, the interest on the loan to the lender and the endowment policy premiums to the insurance company. Interest payments can be set off against the top band of taxable income but tax relief on life policy payments is limited to half the prevailing basic rate. This type of mortgage is available from both the building societies and the insurance companies—which now hold about 7 to 8 per cent. of the total mortgage market. Insurance companies, however, are only generally direct lenders if large loans are involved, normally involving mortgages beyond the current £13,000 special advance limit.

Whether or not the non-profit endowment mortgage policy represents an attractive deal depends on the borrower's tax position and the size of the loan required, and higher rate tax payers could find average net outgoings reduced by comparison with a repayment mortgage, even though the gross payments are larger.

As a further alternative, the borrower might consider a with profits endowment, essentially the same as the previous type, except that it is arranged on a with-profits basis, sharing in the profits of the company involved by means of a regular bonus and, frequently, through a terminal bonus as well. Premiums are naturally higher than in the case of non-profit endowments but the right to share in profits can produce a disproportionately high return on the additional cost. In a sense, the policy holder is "gearing up."

Such a choice does require very close examination and it should be recognised that not all such policies are equally acceptable for mortgage purposes, with unit-linked and equity-linked policies only welcomed by a limited number of building societies, most of which reckon that borrowers undertaking to repay a fixed debt at a stated date should take out a policy which is guaranteed to produce that sum on death or maturity. They also feel that surrender value should climb steadily throughout the life of a policy and that any profits earned should remain attached and not be removed by the next swing on the stock market.

Expensive

There are further hybrid life policies designed to meet particular needs as well as additional alternative sources for mortgage finance. While the building societies, local authorities and insurance companies take the overwhelming proportion of all mortgage business, prospective borrowers can sometimes enlist the help of clearing banks, although loans usually have to be paid back relatively quickly and are more expensive. Finance companies also operate in the mortgage market, their speciality being second mortgages—loans additional to those provided by one of the main lenders and ranking second in security. Interest rates are high and most prospective borrowers only go to these lenders in an attempt to raise money for consumer expenditure rather than actual house purchase. This can sometimes be arranged.

Michael Cassell

This holiday week-end will again see many people out on day trips. **Arthur Sandles** looks at the business of providing places to go to

Summer clouds and silver linings

AND NOW for a Spring Holiday Weekend quiz.

Question: What do Lord Ranfurly, Sir Bernard Delfont and Mr. Peter Dimmock have in common?

Answer: The chairman of Madame Tussaud's (Lord Ranfurly), the chief executive of EMI's cinema activities (Sir Bernard Delfont) and the managing director of BBC Enterprises (Mr. Peter Dimmock) would all be professionally pleased if it rains this weekend. Tussaud's is a money-spinning retreat of the London tourist in bad weather, holiday time cinema takings boom when the clouds gather, and the BBC has a highly profitable Dr. Who exhibition on Blackpool sea front which has to recruit extra staff at the first drop of rain.

The point is, of course, that every cloud has a commercial silver lining. What may be a disaster for Whipsnade Zoo, the Appledore regatta and the Southwold Trinity Fair is good news indeed for the owners and operators of indoor attractions.

Bells ringing

This weekend sees the start of Britain's day trip season, the weekend when the stately homes, the safari parks, the zoos and the fairgrounds expect the bells to start ringing on the tills—a sound which, they hope, will not stop until September. Day trips form what is probably Britain's least documented big business, with very little research having been done on where people go, why they go, or even how many people go. But it is unlikely that the day trip market in Britain accounts for much less than 250m. holiday-days and, excluding the petrol consumed, is probably therefore worth at least £300m. and perhaps more.

The commercial world in Britain has been relatively slow to notice the possibilities of the business, leaving it instead to those—such as the stately home owners—who have been forced into the market by other pressures, and to individual entrepreneurs. In the U.S., however, there has been massive investment in the day-trip business notably in the form of "theme parks." "Theme parks" are leisure centres built around a central "theme," the most spectacular examples being, of course, the Disney projects in Florida and California. The U.S., however, is dotted—some might say littered—with similar if more modest exercises offering instant admission to Olde Europe, darkest Africa or the Wild West.

The success of these parks in the U.S. encouraged some British investors to think along the same lines, but as yet no major project has started. The most ambitious plans were produced by Mr. Eric Morley, chairman of Grand Metropolitan Hotels' Mecca subsidiary. Mr. Morley's idea was for a vast theme park in the Midlands. This might have cost £100m. eventually and would have had a castle, a London Bridge, a Regency mini-town, a recreated Brooklands and a monorail system among its attractions. When Mr. Morley was busily trying to drum up support from other investors he was giving them a hard-backed feasibility report which said: "... the consultants believe that Merrie England would attract 8.6m. visitors in its first full year of operation, of which total half a million would come from overseas. Attendances could rise to 10.2m. and 0.6m. respectively after five years, and to 11.7m. and 0.7m. in ten years."

Repeats

That sort of number implies a substantial proportion of regular repeat traffic. And to get this facilities of a very high standard indeed are required. In the event, the economy turned against Mr. Morley and Merrie England, and the project now seems to be dormant. It is not alone. The Rank Organisation toyed with the idea of a £23m. Wonderland project and then decided that the risks were far too great. Trust Houses Forte has run into planning problems with its £7m. Magic World centre for Battersea, and Trident Television is proceeding "slowly" with its plans for two £3m. Colourful World of Television projects.

The problems with investments of this size, even if the current commercial environment were not so unfavourable, is that any investor is gambling on the accuracy of his prediction of public taste for many years ahead, and maintaining public interest can be an expensive business. There have been hints "in the trade" that safari parks will soon start losing their appeal, and certainly dolphinariums had a relatively short life in the U.K. as a mass attraction and have now settled to business of more modest proportions.

THE TOP TEN HISTORIC PROPERTIES

PROPERTY	OWNERSHIP	VISITORS
1. The Tower of London	Dept. of Environment	2,809,000
2. Jewel House, Tower of London	"	1,748,200
3. National Maritime Museum, Greenwich	Private Trust	1,500,000 (est.)
4. Edinburgh Castle	Dept. of Environment	817,900
5. Stonehenge	"	706,000
6. Hampton Court Palace	"	680,300
7. Beaulieu Abbey & Motor Museum	Lord Montagu	605,000
8. Roman Baths, Bath	Local Authority	580,000
9. Shakespeare's birthplace, Stratford	Private Trust	507,292
10. Caernarvon Castle, Gwynedd	Dept. of Environment	500,700

1973 figures
Source: IPC Sociological Monographs

Trident is still enthusiastic about its Colourful World idea, although the director responsible for such operations, Mr. E. Stuart Wilson, makes it clear that there is no particular rush to spend the sort of money that would be involved. "The only way to do these things is properly," he says. "There are a lot of cheap and nasty places around at the moment." He flatly rejects the idea that Disneyland might be repeated in Britain, arguing that there simply would not be the traffic to sustain such an operation. "We are moving slowly and carefully. In a different economic climate, well . . ."

Trident already has a substantial toe-hold in the day trip market via Don Robinson (Holdings) in which it has a 65 per cent. stake. Don Robinson owns Scarborough Zoo and Marineland and operates dolphinariums, including one in Canada.

The essence of the Trident investment dilemma is the decision over whether or not to move from the "impulse" market to the true destination sector of the business. "Impulse" is the sort of operation with which the BBC is enjoying such success with its Dr. Who exhibition at Blackpool. Destinations, which are in a totally different investment league, are the Longleats, Beaulieus and Blenheims of this world. Obviously, to build a centre which is going to rival Beaulieu as a tourist attraction and leave the customers similarly pleased that they are getting their money's worth is going to be extremely difficult.

Among the champions at this particular game is Madame Tussaud's, which has brought an element of professionalism into the tourist attraction game which was noticeably lacking in the sixties. Tussaud's sits on the sort of property site which makes developers drool, even in these depressed times, and needs a constant healthy return in order to prove that a waxworks is not a bad usage for such a site after all. So in have gone lifts which whisk the customers up to the top of the building and let them filter down again thus substantially speeding up the traffic flow, and in has gone the air conditioning which means that more people can be packed into the place without tourists fainting with the heat.

Tussaud's appears to be applying one of the basic rules of the day-trip attraction game—you have either got to have space, or money. It is a recipe for financial disaster to skimp the investment on a small site, but a few corners can be cut if the customer has lots of space in which to move around and thus feels he is having a relaxing day. So successful has Tussaud's been at its central site in recent years that it has spread its wings into the West Country with the purchase of the caves at Wookey Hole. They cost £400,000, and a further £200,000 has been spent on them and the buildings around.

Prospects

Last year the British Tourist Authority prepared a document for its own consumption which sheds some light on the prospects for the day trip industry in spite of the inadequacy of the sources available. Evidence in the report suggested that the day trip market is heavily reliant on the car and that relatively few day trippers use public transport; that the very young and very old are less keen on day trips than 15-60 year olds; that major city dwellers are less keen on getting out for day trips than those who live in the country or small towns; and that more holiday time does not necessarily mean more holidays or day trips—"Interest in holidays lies in having more holidays *away from work* rather than holidays *away from home*." (Their italics).

But, fascinating though these findings may be—and they certainly indicate that proximity to London may not necessarily be an advantage—they cannot indicate the likely line of public taste in the future.

The most spectacular growth of the past decade, for example, which may or may not have been predictable, has been seen by zoos and allied forms of wild-life attractions. A recent *IPC Sociological Monograph* on leisure plotted the extraordinary growth of the animal business. "In 1960 there were only 31 zoos," it says. "But by 1974 there were at least 100. The Greater London Recreation Survey found that, in 1972, whereas only 3.5 per cent. of Londoners had engaged in nature study, 37.9 per cent. had visited a zoo. Total annual zoo attendances exceed 15m."

Scotia Investments went very heavily into zoos, with ownership of Dudley, the largest commercial zoo in Europe, and the Flamingo Park Zoo in Yorkshire, among others. EMI has its zoo interest at Blackpool and Trust Houses Forte at Belle Vue, Manchester.

All these new zoos, along with the safari parks which began in the mid-1960s at Longleat, provided very stiff competition for the London Zoo, but competition which, on balance, was probably good for it. The zoo has revitalised its marketing, invested massively in better accommodation both for animals and visitors, and, like Tussauds with which it co-operates very closely on a "friendly rivals" basis, worked on the basis that if you have a small space you must spend money.

Prices

What the London Zoo has discovered in recent years is that the days of extreme price sensitivity on the part of the public may be over. In the sixties letters complaining about the price of entry were frequent. To-day they are virtually unknown, and yet the zoo's basic entrance price is 95p. (children 50p). This willingness to accept that price rises are inevitable is helpful in an age when the zoo's costs are themselves rocketing—the animal feed bill was £93,000 last year, while at Whipsnade the white rhinos' hearty appetites for hay helped to send the annual food bill from £50,000 in 1973 to £73,000 last year.

But the London Zoo's main attraction this week-end is fed at bargain basement prices. The two pandas who came to Britain as a result of Mr. Edward Heath's visit to China happily eat home-grown bamboo. It is lovingly cropped for them by Scouts in Cornwall and shipped to London by train.

LABOUR NEWS

Bank staffs accept 22.5% pay rise

BY LORELIES OLSLAGER, LABOUR STAFF

STAFF OF the five major clearing banks in England and Wales yesterday accepted a 22.5 per cent. pay rise for the 12 months starting July—one of the few big settlements this year to stay well within the social contract guidelines.

The moderation shown by representatives of the 180,000 bank employees was largely determined by fears that they might be hit by a pay freeze if negotiations were not speedily ended.

The staff side had asked initially for a settlement in line with the rate of inflation during the year from last June—expected to run at about 25 per cent.

The employers, who had been under heavy pressure from the Government to keep the settlement low at a time when most deals were well above 25 per cent., said that they would not have been prepared to pay this even if negotiations had dragged on until the June rate of inflation was known.

They were not prepared to pay for the 2.5 per cent. rise in the cost of living brought about by the Budget, because this would be directly counter to Chancellor Denis Healey's strategy to beat inflation.

The National Union of Bank Employees held out yesterday for the original June-to-June formula, but was outvoted by the bank staff associations.

Mr. Leif Mills, NUBE's general secretary, said it was a "sad day" for bank employees. The settlement was even less than the social contract allowed. His union would consider whether it should conduct pay negotiations separately from the staff associations next year.

● A social contract-breaking arbitration award of 8.6 per cent. to 14.6 per cent. pay rises has been made to more than 300 staff in data processing at Joint Credit Card Company (Access Cards). The award came only six months after the last principal settlement and gives total salary increases of up to 49 per cent. in 13 months.

ACAS to be brought in over seamen's pay

BY ROY ROGERS, LABOUR CORRESPONDENT

THE ADVISORY, Conciliation and Arbitration Service is to be asked to try to resolve the deadlocked pay negotiations for Britain's 40,000 merchant navy seamen.

Yesterday, the National Union of Seamen and the employers, the General Council of British Shipping, talked for less than an hour, the employers declaring that they could not improve their "final" offer totalling 30 per cent.

This was unacceptable to the NUS, which is sticking to its claim for £40 for a 40-hour week—a demand that the employers say would add 81 per cent. to the industry's wages bill.

The union did indicate, however, that it was prepared to seek assistance from the ACAS, and exploratory discussions are expected next week.

Yesterday's talks showed that there was still an enormous gap between the two sides and, in spite of TUC advice to keep within the social contract wage guidelines, Left-wingers on the union's negotiating committee are understood to be ready to recommend national strike action in support of the claim.

Under the £28m. offer, which is broadly similar to that accepted by merchant navy officers, average earnings would increase from £59.25 to £70.35 for a 67-hour week — a "new money" increase on previous earnings of £11.10 or 18.1 per cent.

On consolidated basic rates, the offer represents an increase from £25.44½ to £32.46 including £4.41 cost of living threshold payment already being received.

Post Office is accused of breaking contract

BY OUR LABOUR STAFF

THE POST OFFICE was accused by a postal workers' leader yesterday of breaking the social contract in pay deals made with some of its staff this year and of souring the best agreement his own union had never made.

The accusation came from Mr. Tom Jackson, general secretary of the 200,000-strong Union of Post Office Workers—the largest union in the postal service—and a moderate member of the TUC General Council.

Mr. Jackson was defending at his union's annual conference at Blackpool a wages agreement that came into effect in January giving his members a 19 per cent. rise, plus threshold payments expected to produce at least another 15 per cent. in monthly stages during the second half of this year.

Mr Jackson said that the threshold payments—opposed in principle by the Government—would have to be taken into account when the next wage settlement was made.

Since the January deal, however, settlements with other unions covering clerical officers' executives, supervisors, and higher management had caused anomalies and interfered with differentials.

"It seems totally wrong that as a result of settlements made elsewhere, some people have been able to get a settlement which breaks the social contract. I am sick and tired of bending my back down for everyone else to jump over."

One organisation representing senior management structure—men earning five-figure salaries—have been offered an increase of more than £20 a week. "We cannot tolerate that."

Mr. Jackson promised a job evaluation in certain grades, but said that no new agreement could become operative before January 1. He pleaded successfully that the delegates should give their negotiators freedom to make the best deal they could.

Girling to cut its workers by 15% over three months

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

GIRLING, the Joseph Lucas brake manufacturing subsidiary, said yesterday that it had plans to make 15 per cent. of its 6,750 workers redundant over the next three months.

Girling drew an extremely gloomy picture of the motor industry, saying that it was reducing numbers to a level which it expected it would need over the next two years. The company had previously been maintaining employment by cutting recruitment and overtime, and manufacturing for stock.

The decision drew an immediate response from Mr. Gwynfor Evans, Plaid Cymru MP for Carmarthen, who drew attention to Girling's investments on the Continent in a letter to the Industry Secretary, Mr. Anthony Wedgwood Benn.

"It is most disturbing to find companies laying off hundreds of men in Wales, having reported substantial investments overseas. It is urgently necessary to find out whether the flow of such investments has increased since Britain entered the EEC," he said.

Girling, which has subsidiaries in both France and Germany, is the largest supplier to the U.K. industry.

Its main competitor, Automotive Products, which accounts for just under half of the U.K. market, has been running a voluntary redundancy scheme in all its factories this year. But so far, despite short time in its clutch activities, AP has experienced no cut on the brake side, partly because it has been cushioned by new business for the British Leyland 18-22 series and the Triumph TR7.

The total British car market this year has been running at a slightly higher level than last. But the comparable period last year included the three-day working week, and last month the British industry showed almost a 13 per cent. drop on its sales against the previous year—losing heavily to imports.

Against this background, the component manufacturers have been working considerable short time, and pushing ahead with voluntary redundancies. Girling's decision, another sign of the deepening gloom in the industry, means it will be faced with heavy redundancy payments and tough union negotiations.

Lorelies Olslager writes: Mr. Ray Edwards, assistant general secretary of the Association of Professional, Executive, Clerical and Computer Staffs, blamed the redundancies at Girling on imports of Japanese cars.

His union had already asked the Government to stop the imports. "The latest announcement by Lucas could mean thousands of workers in Birmingham being thrown on an already overcrowded labour market. Apex will fight every single redundancy within Lucas," he told a union conference.

Other parts of Joseph Lucas have also been affected by the slump in the motor industry. The electrical division, whose plants are largely in the Midlands, has asked manual workers to put off the annual pay negotiations for three months because of the bad business situation.

The plea has been rejected by the shop stewards, but pay talks have not started because the company says that it first wants to receive all claims.

Nearly a third of the division's 18,000 workers are on short time, and about 1,200 have left since the beginning of the year.

Workers are afraid that many redundancies may be announced soon by the electrical division, but the management says that it is still talking with the unions in a search for alternative solutions.

● Magnatex, manufacturers of steering column locks for the car industry at Blyth, Northumberland, has told its 250 workers to expect redundancies.

U.S. fails to win approval of arms link with Spain

BY MALCOLM RUTHERFORD BRUSSELS, May 23.

THE U.S. failed to-day to win formal Nato endorsement of the contribution which the bilateral U.S.-Spanish defence agreements make to the defence of Western Europe.

After a heated discussion over two days, the best it could secure was a brief reference in the Nato Defence Ministers' communique saying that Dr. James Schlesinger, the U.S. Secretary of State for Defence, had "informed his colleagues of the present state of the bilateral agreements on the use by the U.S. forces of military facilities in Spain."

Even this was severely qualified by an additional clause — that these arrangements remain outside the Nato context. Dr. Schlesinger denied after the meeting that he had been seeking anything more specific. He added that, given the known differences of opinion and the political pressures on West European Governments on the Spanish question, he was not surprised by the European response.

There is no doubt, however, that U.S. diplomacy has received a setback, and the question is likely to be taken up again at a more political level when Nato Foreign Ministers and heads of Government meet here later next week.

Dr. Schlesinger wanted a reference to the utility of the U.S.-Spanish agreements for the defence of Western Europe written into the communique. The present agreements expire in September and the Spanish authorities are seeking an acknowledgement of their role in Europe before agreeing to new ones.

Despite the disagreements over Spain, the Defence Ministers nevertheless took a number of key decisions. They adopted new long-term defence guidelines designed to govern Nato aims and strategy until well into the 1980s. These include a commitment to reduce the disparity in conventional forces between Nato and the Warsaw Pact and call for "some modest increase in real terms in defence expenditures."

They also agreed on the need to establish a "two way street" in arms purchases between Europe and the U.S. though Dr. Schlesinger stressed that this must be subject to the rules of rigorous competition.

Finally, the Ministers agreed on a joint study of a new airborne early warning and control system.

Cuba seeks export credits to buy petrochemical plant

BY HUGH O'SHAUGHNESSY

CUBA IS seeking the equivalent of $1bn. in export credits from Britain by 1980, Dr. Carlos Rafael Rodriguez, First Deputy Prime Minister, said yesterday before leaving London after a five-day visit. Earlier, he had announced that Cuba had obtained a minimum of £250m. of credits for Cuban imports at an interest rate of less than 7½ per cent. a year.

Dr. Rodriguez said Cuba would need to import large quantities of British equipment for the 1976-80 Five Year Plan. He suggested that the credits Cuba wanted over and above those agreed to would be used inter alia to buy petrochemical plant.

Cuba is not expected to start producing petrochemicals until the beginning of the 1981-85 Five Year Plan, but the Cuban leader suggested that with the appropriate credits British plant constructors could get a flying start.

Dr. Rodriguez, who had talks with Mr. Wilson at 10 Downing Street on Wednesday evening, declared himself happy with their outcome. He particularly welcomed the initiatives the Prime Minister sketched out at the meeting of Commonwealth heads of government earlier this month for mechanisms to close the growing gap between the world's richer and poorer countries.

The Cuban Deputy Premier, who is No. 2 to Fidel Castro, forecast that the U.S. and Cuba would soon come to terms over their differences.

COMPANY NEWS + COMMENT

Reed Intnl. final quarter downturn

FINAL QUARTER sales of Reed International expanded from £209.1m. to £258.4m., while pre-tax profit decreased from £20.6m. to £18.4m., giving increased totals of £968.6m., against £733.8m. and £85.4m. compared with £65.5m. respectively, for the year to March 31, 1975.

Earnings per £1 share rose from 36.1p to 45.4p, and the net dividend is raised from 9.398p to a maximum permitted 10.283p with a final of 5.111p.

The year's profit is struck after substantially increased interest of £17.7m. (£13m.).

All of the £19.9m. profit increase is derived from overseas operations.

The £18.4m. for the last quarter includes the lowest U.K. operating profit reported for two years and reflects the substantial trading downturn experienced in the U.K. together with some of the effects of industrial action in Mirror Group Newspapers.

Operating profit overseas for the fourth quarter exceeds that of the corresponding quarter of the previous year by £2.9m. This compares with an excess of more than £7m. for each of the preceding quarters. These less buoyant conditions are a portent of less satisfactory results now being experienced overseas, the directors state.

Extraordinary debits of £3.4m. (£0.9m. credits) are mainly exceptional losses arising on plant closures of £1.9m. and net losses on disposals of fixed assets of £1.1m.

	1974-75 £m.	1973-74 £m.
U.K. sales and exports	612.9	500.4
Overseas	355.7	233.4
Total sales	968.6	733.8
U.K. operating profit	46.4	46.5
Overseas	56.7	32.0
Total profit	103.1	78.5
Net interest payable	17.7	13.0
Profit before tax	85.4	65.5
Tax	40.0	30.[illegible]
U.K. Tax	17.8	18.8
Overseas	22.2	11.9
Net profit	45.4	35.1
Minority interests	4.3	2.4
Attributable	41.1	32.7
Preference div.	0.2	0.2
Ordinary	9.3	[illegible]
Extraordinary debits	3.4	*0.9
Retained	28.2	25.0

* Credits.

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HIGHLIGHTS

Fourth-quarter profits at **Reed International** were held back by the trading downturn in the U.K. but the outcome for the full year is much in line with market expectations and the shares closed 6p better on the day. The figures are analysed in the Lex column where there is also comment on the first-quarter statement from **Ultramar** which shows pre-tax profits little changed after heavier charges. Elsewhere **Staflex** turns in profits usefully higher and **S. Leboff** with 1974 profits up by a fifth is confident of record earnings in 1975. On the Bids scene brewers **J. W. Cameron** is having talks with **Ellerman Lines** while **Dawson and Barfos** reports an approach.

Sales slip at Spooner Industries

MANUFACTURERS of machinery for plastics, textile, paper, bakery, and other industries, Spooner Industries, reports taxable profits down from £240,100 to £209,900 for the six months to March 31, 1975. Turnover fell from £4.34m. to £3.93m. and is expected to be about the same in the second half.

The interim dividend is 0.52p (0.536p) net. Last year's total was 2.216p paid from profits of £685,928 before tax.

First half profits were struck after interest of £35,600 (£22,400) and depreciation of £58,300 (£58,300). Tax takes £109,000 compared with £124,300, leaving £100,900 against £115,300. Minorities add £2,400 (took £2,300).

● comment

After two years of reasonable progress, demand for Spooner's ovens and dryers—mainly supplied to the textile, bakery, paper and plastics industries — has turned down in the U.K. and this trend, which has taken interim pre-tax profits 13 per cent. lower on a 9 per cent. fall in sales, is likely to worsen in the second six months. Exports, about 30 per cent. of sales last year, are holding up and, with trading losses in South Africa out of the way, only a small loss in an Australian subsidiary remains. The company's finances were strong enough at the beginning of the year, with net borrowings amounting to less than a fifth of shareholders' funds, and even a doubling of first-half profits leaves a yield of 12½ per cent. at 28p more than twice covered.

London Trust outlook

The chairman of **London Trust Company** Mr. E. D. G. Davies, says that he believes the company will perform satisfactorily, both as to income and capital, during the current year.

He states that fortunately during the last quarter of the year to March 31, 1975 a sharp recovery took place in the capital markets of the world. This enabled the company to show a net asset value of 222p per 25p share at the end of the year compared with 234p a year previous. At December 31, 1974 the net asset value was as low as 121p.

For the year to March 31 the gross income of the trust shows an 18.3 per cent. increase at £2,651,008. With overseas borrowings, though modest in extent but on which the company is obliged to pay very high rates of interest for much of last year, it must be the net income which is relevant in assessing this aspect of performance. Here net income increased by 10.9 per cent. to £1,144,502, or 8.11p per Deferred share.

As reported on May 8 the net dividend is lifted from 6.18875p to 7.25p There is a one-for-two scrip issue.

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Trust Union position

The revenue account of **Trust Union** for 1974-75 reflects a full year's exposure to the $3m. loan raised in March, 1974. The income on this new money was unsustainably high because half the loan was re-deposited at rates sometimes in excess of the loan coupon; since the end of the year a larger proportion of the loan has been invested and receipts in this respect will be reduced, says chairman Mr. A. G. Touche.

Interest from short term deposits has shown a major increase partly on the uninvested dollars but also on the unusually high level of liquidity throughout the year. While gross receipts from interest will fall as funds are re-invested the effect after tax will not be material. On franked income the comparison has again been distorted by various abnormal factors which have hidden a considerable improvement in the basic earnings of the portfolio, he adds.

As reported on May 8 gross revenue for the year to March 31, 1975, advanced from £988,827 to £1.18m. The dividend is lifted from 1.8p to 2p net.

On investments Mr. Touche explains that the company's portfolio has come through a harrowing experience in reasonably good shape with the net asset value finally at 88.2p per share against 83.8p 12 months previously. The value of total assets less current liabilities rose from £21,640,269 to £22,577,916. Early in the year liquidity was further increased, but in November 1974 a buying programme was started which in retrospect could have been bolder.

It has seemed right to maintain a measure of liquidity in view of the many uncertainties that still exist and the renewed hunger for equity issues by companies starved of cash.

Meeting, Winchester House, E.C., on June 18 at 2.30 p.m.

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T. Warrington down £77,000

Profits of general building and public works contractor **Thomas Warrington and Sons** contracted from £281,953 to £204,551 in 1974, after being £107,000 behind at half way.

The dividend is held at 2.8813p net, with a final of 1.7176p.

After tax £98,224 (£150,000) net profit came out at £106,327 (£131,953).

Meeting, July 18.

Record £1.89m. from Staflex

THE INCREASED profit forecast by **Staflex International** turns out to be a record £1.89m., for 1974, compared with £1.69m., after £0.96m. (£0.85m.) for the first half. Turnover for the year expanded from £24.06m. to £28.78m.

Although the first half of 1975 may not improve upon the results of the corresponding period last year, given reasonable trading conditions the company anticipates that the year as a whole will show a further advance in turnover and profits.

Earnings per share for 1974 of this interlinings and machinery group increased from 9p to 10.5p, and net tangible assets from 40.9p to 46.3p. A final net dividend of 1.0985p effectively raises the total from approximately 2.09p to 2.2235p.

	1974 £	1973 £
Group turnover	28,783,709	24,058,086
Trading profit	3,128,973	2,714,219
Interest charges	1,394,512	630,312
Sundry income	139,197	3,906
Profit before tax	1,893,860	1,687,392
Taxation	695,000	606,612
Minority interest	10,339	53,072
Pre-acquisition profit	2,866	8,700
Net attributable	1,185,725	995,203
Extra-ordinary debits	199,007	114,407
Exchange equalisn. res.	55,000	240,000
Dividends (net)	258,107	[illegible]
Forward	2,157,083	1,454,442

Arising from increased stock levels in U.K. and Holland the group recovered tax and deferred tax liability of approximately £0.7m. The deferred benefit arising but not yet utilised is equivalent to the tax on at least £2.5m. with a consequent benefit to the group cash flow in the coming years.

Both the machinery and interlining divisions contributed to the increase in profitability. In the case of the interlining division overseas profits represented more than 90 per cent. of the divisional total.

The geographical extension of activities has continued. General trading activities are being added and the manufacture of non-woven materials will commence in Sweden later this year, the directors state.

● comment

Despite the burden of more than doubled interest charges, Staflex has notched up a 12 per cent. pre-tax gain. There were, however, signs in the second half that trading in a number of areas was tougher and this trend is likely to carry over into the first half of the current year: the machinery division will probably be a standstill situation this year on the back of a poor trading climate in the U.K. But the strong geographical spread—more than 90 per cent. of interlinings sales are overseas—must be a help, while the impact of interest charges should be less severe, bank borrowing rose about £½m. to £2½m. while stocks increased from £9m. to £12.7m. but have since fallen to about £11m. along with a noticeable drop in debtors. This is why hope of some late improvement is giving support to the shares at 46p, where the yield is 7½ per cent.

Improved margins for Ultramar

FROM SHARPLY decreased sales of £49.66m., against £71.97m., group pre-tax profit of Ultamar Company was marginally higher at £5.18m., compared with £5.15m., for the first quarter of 1975. Profit for the year 1974 was £15.74m.

Earnings per 25p unit increased from 9.6p to 10.9p for the three months.

The directors point out that in the first quarter of 1974, under oil crisis conditions, the group traded in a substantial volume of crude oil which did not recur in first quarter of 1975. This is the explanation for the reduction in sales.

Refinery products sold in the first quarter of 1975 show an improvement of 6.069 barrels per day over first quarter, 1974.

	First quarter 1975 £000	First quarter 1974 £000	Year 1974 £000
Sales	49,660	71,973	251,484
Trading profit	7,544	6,462	23,628
Amort., deprecn., etc.	2,360	1,309	7,985
Profit before tax	5,184	5,153	15,743
Current tax	1,542	823	3,446
Deferred tax	164	1,259	218
Net balance	3,478	3,071	12,079
Cash flow from ops.	6,002	5,689	21,671

Operating results	First quarter 1975	First quarter 1974
Sales of oil*	125,682	183,493
Oil refined*	89,674	80,757
Oil produced*	10,744	8,410
Gas produced†	5,129	4,668
Gross wells drilled	12	9
Wells completed‡	7	7

* Barrels per day. † Thousands of cubic feet. ‡ In which group has varying interests.

Group earnings are largely in U.S. and Canadian dollars which for the three months to March 31, 1975, have been translated into sterling at U.S. and Canadian $2.40 to £1. The comparative figures for the three months to March 31, 1974, give effect to the exchange rates adopted for the 1974 whole year group accounts—$US2.35 and Canadian $2.325 to £1.

Application of funds shows additions to fixed assets £6.83m., increase in working capital £6.43m. to £31.32m.

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Highgate Optical progress

In a difficult year group pre-tax profit of **Highgate Optical and Industrial Company** increased to £221,998 in 1974, compared with a forecast of similar to the previous year's £213,328. At midway it was £137,030 (£133,797).

Earnings per 10p share for the year are shown at 4p (3.2p). A final dividend of 1.3706p net makes a total of 1.8306p (1.6825p).

	1974 £	1973 £
Turnover	3,307,321	3,281,073
Profit before tax	221,998	213,328
Taxation*	140,797	102,223
Minority losses	7,345	75,713
Loss sale of interests	7,441	—
Net profit attributable	80,999	105,390
Dividends	37,790	34,237
Retained	43,209	71,053

* Comprises taxation on profits £124,705 plus reduction in stock relief £16,000. † Profits.

In the U.K. sales and profits showed a modest increase, but there was a small loss on the French operation and management changes have been made in order to put the situation right, it is stated.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Archimedes Trust ......int.	1.82	Aug. 15	1.68	—(b)	3.69
R. A. Dyson	1.87	—	1.66	2.37	2.19
W. G. Frith	0.5	—	1.1	1.5	2.1
Fitzroy Investment ...int.	nil	—	0.5	—	0.5
Highgate Optical	1.37	July 3	1.2	1.85	1.68
S. Leboff (Fobel)	0.45	—	*0.43	1.03	*0.77
Lyndale Eng. ......int.	0.65(d)	June 27	0.34	—	1.34
Palmerston Inv. ......int.	0.53	June 30	0.57	—	1.65
Reed International	5.11	Aug. 11	5.2	10.28	9.4
Reliable Properties ...int.	nil	—	0.84	—	1.51
Spooner Industries ...int.	0.52	July 18	0.54	—	2.22
Staflex	1.1	Aug. 8	1.05	2.22	*2.09
Tanganyika Concessions...	7.5(a)	July 18	Nil	18	5.5(c)
Thos. Warrington	1.72	July 17	1.72	2.88	2.88

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) Gross throughout. (b) Minimum 4p is forecast. (c) For five month. (d) Amended.

S. Leboff up £0.21m. and confident

GROUP PROFIT, before tax, of **S. Leboff (Fobel)** increased from £1,012,148 to £1,223,442 in 1974, after £538,253 (£430,599) for the first half.

And the directors confidently expect record profits for the current year.

A final dividend of 0.4496p effectively raises the total from 0.76975p to 1.02542p net per 10p share.

Tax absorbs £634,138 (£496,326) and minority interests take £21,925 (nil).

The company benefited from stock appreciation relief considerably in respect of 1973 and will benefit very substantially further in respect of 1974, the directors state.

They consider the results are very satisfactory particularly as 1974 was a year of general uncertainty and cost-inflation.

While the DIY division showed continued steady growth, the radio and appliance subsidiary suffered from the flooding of its market with forced sales of stock from companies faced with reduced demand at a time of high interest rates and cash problems. This also caused many business failures in this field which has left the company well placed for the future. It has been able to strengthen its position in the trade and improved results are expected for 1975.

The companies acquired during the latter part of 1974 are integrating well and some contribution has been included in the 1974 figures which helped to offset the fall in the profits of the radio and appliance subsidiary. Their full profit contribution will be felt in the current year.

Since the beginning of 1975 there has been a quite "unprecedented growth" in the level of turnover throughout the DIY division, including all the DIY companies acquired during 1974.

● comment

The maiden contribution to Leboff from Freedman and Matz, plus a couple of smaller amounts from acquisitions later in the year, made good the drastic fall in profits on the electrical side, so the pre-tax improvement of a fifth all stems from DIY equipment sales. In the electrical market, fewer competitors and bankrupt stock out of the system point to a recovery from the electrical operation; a higher rate of VAT does not worry the group, as it sells low-priced goods and generally benefits when the public trades down. Meanwhile, the DIY business is shooting ahead, as people improve homes rather than move and the cost of professional work advances. Leboff exudes confidence for 1975, so even at this stage in the year a record looks feasible. Certainly the shares hold a high rating: at 39p, down 1p yesterday, they yield 3 per cent. covered 4.6 times with a p/e of 10.

Formation of Lyle Offshore

Another offshore service company to operate in the North Sea market has been formed by a number of Scottish financial and commercial companies.

The company—Lyle Offshore Group—is 40 per cent. owned by Lyle Shipping of Glasgow and other major shareholders include Scottish Northern Investment Trust, Martin Currie and Co., and Scottish United Investors (Management). Issued capital will be £5m., the first 25 per cent. being provided now and most of the rest lat[e] this year and next.

Lyle Offshore will work in co-operation with Seaforth Maritime, a leading North Sea service company which is 41 per cent. owned by Lyle Shipping. It aims to undertake a number of specific projects and the emphasis is to be on quality rather than quantity. Among projects under detailed consideration are one concerned with production platforms and another with specific vessels for the underwater service side of the market.

The new company, whose long term aim is to expand abroad, is setting very high standards for return on capital employed from the start and is determined not to spread its resources too thinly. In recent months a number of offshore service companies have been formed to cater for a market which is expected to grow very rapidly in the next few years.

A. Goldberg drops to £1.35m.

GLASGOW BASED department store owners, **A. Goldberg and Sons** reports a fall in pre-tax profits from £2,314,000 to £1,352,000 for the year to February 19, 1975, after £535,000 against £916,000 in the first half. Turnover for the year increased from £13.87m. to £14.3m.

Earnings are shown to be down from 8.2p to 5.2p per 25p share. The net dividend is held at 3.740625p with a final of 2.638125p.

Tax for the year takes £685,000 compared with £1,271,000. There is an extraordinary deficit of £48,000, and the retained profit is £140,000 against £570,000.

The board is to close down the Rutherglen Warehouse complex and dispose of the plant and building, additional depreciation of £100,000—relating to this closure less transfer from deferred tax of £52,000 — has been charged as an extraordinary item. From Feb. 20 sales are ahead but continuing inflationary pressures are board's main concern, members are told.

Christy Bros. midway loss

INTERIM RESULTS for the half year to December 30, 1974 for **Christy Bros.** show a net loss after extraordinary items of £423,000, compared with a profit of £26,000 in the same period of the previous year.

On the taxation position, the company remarks that significant tax relief, which cannot be quantified at this stage, will be available for carry forward against future trading profit.

The company's interim statement reveals that it has sold off the electrical contracting division of Christy Electrical to H.A.T. Group, and a large proportion of the extraordinary loss arises from provisions made in connection with this transaction.

Aquascutum in 'good shape'

While there is doubt about the long-term progress of **Aquascutum** chairman Mr. G. M. Abrahams states that he would not consider forecasting the outcome of the current year but he says a satisfactory start has been made and he is hopeful of "another good year."

The group is well managed and in good shape, he adds.

Commenting on overseas trade he points out that further concentration on exports resulted in a record increase of 41 per cent. in the year to January 31, 1975.

As reported on April 23 pre-tax profit for the year expanded from £1.07m. to £1.08m. The dividend is stepped up from 1.034p to 1.129p net.

Meeting 100, Regent Street, W., on June 16 at 12.30 p.m.

PALMERSTON INV. SETBACK

Net income after expenses of **Palmerston Investment Trust** increased marginally from £72,120 to £79,186 in the half-year to September 30, 1974. However, there was a pre-tax loss of £22,632 compared with a profit of £57,131.

The loss includes a property sale surplus of £15,079 (£93,066) and is struck after management expenses of £4,260 (£4,120) and interest of £112,628 (£103,926). There is no tax charge (£1,656).

The interim dividend is 0.532p (0.573p) net. Last year's total was 1.645p paid from taxed profits of £52,566.

UNIT TRUSTS

Gartmore high income

The Gartmore High Income fund is on offer from Gartmore Fund Managers this week-end with an estimated gross yield of 11.8 per cent. The fund is mostly invested in equities, but there is also a 12 per cent. proportion in Preference shares. Capital growth is expected as well as income, for some of the equity investments are recovery situations. Gartmore Fund Managers is a subsidiary of Gartmore Investment which manages over £350m. of investment trusts. The charges include a 5 per cent. initial charge plus ½ per cent. per annum.

● comment

The yield of Gartmore High Income is certainly attractive at 11.8 per cent. and the higher yielding equities should come good if the bull market continues. The managers have a background of investment trust management and so are far from new to the income game. The fund was previously part of the Cedar group and was revamped by Gartmore subsequent to the takeover. Since the revamping two months ago, the offer price has risen by 12 per cent.

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LAWSON FUNDS

Lawson Securities is advertising the Lawson High Yield Fund and the Lawson Gilt and Warrant Fund this week-end. The high yield fund offers investors a high income yield (paid quarterly), the underlying portfolio being a mix of Preference shares, split-level investment trust income shares and high yielding equities with well-covered dividends. The Gilt and Warrant fund is designed to give investors capital growth with safety. This is done by combining a dated gilt fund (62 per cent. of the portfolio) with holdings in warrants providing a geared interest in equities.

The minimum investment in either fund is £100 and the charges are an initial 5 per cent. together with an annual fee of ½ per cent.

● comment

The two trusts that Lawson is offering this week-end will meet the requirements of income seekers and capital conscious investors. The **High Yield Fund** is an ultra-high income proposition yielding an initial 13.3 per cent. gros with prospects for future income growth. The investments have been steadily re-orientated towards equities and the portfolio split is now 40 per cent. Preference shares, 18 per cent. income shares and 42 per cent. equities, although the next distribution in June at 2.49p will be the same as the previous two. The Gilt and Warrant Fund is a hybrid that aims to give growth with security. It has done well since the launch a year ago, unit values having risen by 21 per cent. compared with a 16.5 per cent. increase in the FT-All Share index. Warrants with 16.5 per cent. increase in the have ben outperforming equities in the market recovery and the gilt-edged part of the portfolio gives stability to the fund.

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TYNDALL INTNL. EARNINGS FUND

Tyndall Managers is advertising the **Tyndall International Earnings Fund** which invests in companies which derive a high proportion of their income either from exports or from operations abroad. The yield is 4.78 per cent. and the minimum investment is £1,500. Charges are low—the initial charge is only 2 per cent. reducing to 1 per cent. on any excess over £10,000.

● comment

The Tyndall International Earnings Fund has been a big success story since it was launched at the depths of the bear market. The concept of "high overseas earners" worked and the unit price has doubled in consequence. Moreover, this class of share has continued to rise in value despite many warnings that it might be just a little too popular. With the yield at this level (compared with double digits at the launch) the fund no longer has its initial income appeal and is now a capital growth prospect. But the managers were right once and might be swift to change their spots if the investment climate were to change.

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M & G EUROPE

The M. and G. European and General Fund is on offer from M. and G. this week with a minimum investment requirement of £300. The charges include 2½ per cent. initial levy and an annual fee of ½ per cent. Investment is also possible via the M. and G. Unit Trust Assurance Plan for a minimum monthly premium of £5 per month. The aim of the fund is capital growth and the portfolio is mainly concentrated in EEC countries (70 per cent.) with 20 per cent. in other areas of the world.

● comment

With a "Yes to Europe" caption in its advertisement for M. and G. European and General Fund, M. and G. might appear to be jumping the gun on the Referendum. But the message is carefully angled to avoid offence or commitment—the managers suggest that the EEC will remain an attractive investment area whether the U.K. is in or out. However, the fund has had its ups and downs since the launch in July 1972 and initial investors are only just beginning to see their money back after the low of 1974.

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European Ferries makes good start to 1975

IN HIS annual statement the chairman of European Ferries, Mr. K. D. Wickenden, says, "With so many factors in our favour I ought to be in a position to be able to report that we are entering a period of substantial and sustained growth." But it is a most difficult time to attempt a forecast with two matters preventing him from doing so—the "very substantial claim" by the National Union of Seamen still being negotiated and the country's economic situation.

Both freight and tourist carryings of the shipping, finance and electrical group, are well up on last year, he tells members.

Advance tourist bookings are substantially higher than at this time in 1974 while the higher rates of duty on cigarettes and spirits in the recent Budget should increase on-board sales of duty-free goods.

Corrective action has also been taken in loss-making areas and the group started 1975 "with a clean sheet."

The average age of its ships is six years against more than 16 years for major competitors; it is known that the EEC Commission does not intend to abolish duty-free sales, and the Channel Tunnel project has been abandoned.

As reported on May 3 group pre-tax profit was £4.24m. for 1974, compared with £5.07m. for the previous nine months. The dividend total is 1.666p a share net, the maximum permitted, against 2.5126p a share for the previous 20 months allowing for the one-for-four scrip issue announced last May.

Mr. Wickenden states that from the year's profits of normal activities losses totalling £990,000 have been deducted relating to the service from Harwich to Antwerp and the aircraft operations.

These problems have now been resolved and included in the extraordinary items totalling £2.41m. are provisions for all anticipated costs of the airline operations pending realisation of the assets employed.

Full provision has also been made in the accounts for exchange losses at the rates ruling at year end though all such losses have not been realised and in the main will not be realised for some years at least.

Conversely no provision has been made for any addition to the value of the fleet though ships are a commodity dealt with in international currencies.

In this respect the group's accounting policies "are cautious and we shall in the coming months be considering bringing our policy into line with those of other shipping companies," Mr. Wickenden adds.

Meeting, Winchester House, EC., on June 16 at 11 a.m.

EMI CHANGES PAYMENT DATE

The Directors of EMI announce that the interim dividend for the year ending June 30, 1975, will be paid on July 21, and not on July 7 as previously announced.

The postponement is the result of administrative considerations in connection with the filing by the company of a registration statement with the United States Securities and Exchange Commission in order to make available to American holders the opportunity of electing to receive stock in lieu of their interim dividend.

The postponement will mean that the company will post details of its offer of Ordinary stock in lieu of the interim (together with forms of election) on June 13 instead of May 23 as previously announced. The last date for elections is now July 4.

Tremletts capital plans approved

Shareholders of Tremletts, the timber and engineering group which has had to write down from £11.2m. to £1 the book value of its Tower Assets subsidiary acquired last year, voted to approve proposals for the capital reconstruction of the Group at extraordinary general meetings yesterday.

Protracted meetings of shareholders began at 10 a.m. yesterday morning with a statement by the Tremlett's chairman, Mr. Jeffrey Pike, stating that it was only after the acquisition of Tower that the company's problems became apparent.

Tremletts has commenced legal proceedings, claiming damages of £5m., against the directors of Tower at the time of the take-over offer, accountants Arthur Young McClelland Moores (chartered accountants), and Dawnay Day (merchant bankers). The defendants deny liability and are defending the claim.

Mr. Pike told shareholders that because of the litigation the amount of information which he could give shareholders was limited.

Deficit at Fitzroy: no interim

Fitzroy Investment Company incurred a loss before tax of £268,930 in the six months to December 31, 1974, and there is to be no interim dividend. In the previous first half profits were £47,200 and there was an interim of 0.5p net. However, by the year-end profits had been reduced to £6,709 and there was no final payment.

The directors say that the results are arrived at after writing off all interest on bank and other borrowings. Since the last AGM, the capital of Ducor Wire and Tube Products and Fitzroy Transport owned by the group has been sold for a nominal consideration and the trading results of those companies are excluded.

It has been an extremely difficult first half and although there has been an improvement in the trading results during the third quarter, the directors are of the opinion that this will be insufficient to enable them to recommend any final dividend.

Reports to meetings

The following are extracts from chairmen's statements to their annual meetings.

Sir Hugh Fraser, attending the annual meeting of Carter Hawley Hale, which owns 20.5 per cent. of House of Fraser, said he expected his company's sales and profits (to be announced next week) to be "substantially ahead of those for the like 1974 period" with prospects favourable for the rest of the year.

Mr. Arthur Mason of Reckitt and Colman reported that "the worldwide spread of the business and the diversity of its product range had enabled the company to enter 1975 on a sound base." Sales in the first few months "had progressed even by comparison with the excellent figures in early 1974," but inflation and governmental control of prices both at home and abroad made any prediction for the year impossible.

Mr. J. S. Jones of Brent Chemicals International said the business had continued to expand strongly in 1975. Companies in the U.K. and overseas had done well, and in the first quarter sales and profits were ahead of budget and appreciably higher than in the equivalent period of last year.

Mr. I. G. Hopkinson of Hopkinsons Holdings said the five weeks' loss of output because of industrial action would affect results for the first six months, despite the efforts which were being made to retrieve the situation."

Mr. E. G. Spearing, acting chairman of Brown Brothers, said that regarding the current trading position full advantage was taken of the opportunities for making high sales on radio, television and electrical items affected by the raising of VAT. Volumes in other sectors of business including motor were also at satisfactory levels and the manufacturing company were doing well.

Mr. W. C. Sproson, of H. and J. Hill Group, told shareholders yesterday that the order book of the drop forging division continued buoyant. Present indications were that this division would again make an appreciable contribution to profits.

The reduction in the level of home market orders received by the foundry division had continued. He was, however, hopeful that the surplus capacity will be absorbed by an increase in direct exports. He also revealed that the company has recently negotiated facilities with its bankers which would provide sufficient funds for anticipated requirements.

The group as a whole was in a strong position and he forecast another successful year.

Results due next week

Analysts will have to make the most of their long holiday week-end, for they will be coming back to a fair number of companies reporting in the remaining four days. **British Petroleum** tops the bill, followed by two textile giants, **Courtaulds** and **Coats Patons**. **Bass Charrington** will add some flavour to the week and **Marley** and **House of Fraser** also feature.

Shell's better-than-expected first quarter earnings owed a great deal to stability in North American markets and strength in gas operations. To this extent, BP can be expected to feel the brunt of weak oil demand, surplus capacity and cost inflation, particularly as it has a relatively high proportion of European business and sales of third party crude. However, price increases in U.K. and France should add some resistance to profits and BP's first quarter results on Thursday may not be far sort of the final quarter of 1974 when net income was £54m., although this is well below the comparable quarter's net income of £295.5m.

Courtaulds' interim pre-tax profits to September nearly doubled to £79.3m. but the subsequent deepening of the recession in world textiles points to a sharp reduction in second half profits. U.K. man-made fibre production fell by around 40 per cent. in the latter period, against 9 per cent. in the first half and textile prices have also suffered from a flood of imports. Overseas companies, with a calendar year end, must have had a very poor final quarter and exports from the U.K. cannot be expected to provide much support. Most estimates are for pre-tax profits in the region of £90-110m. on Thursday (£116m.).

While announcing a marginal increase in interim pre-tax profits to £24.95m., **Coats Patons** also forecast a "marked drop" in profits for 1974. The problem in the U.K., less than a quarter of trading profits in 1973, is the downturn in export volume and the drop in cotton prices (nearly 40 per cent. off their peak). European profits should hold up well but trading conditions in North America and Australia have deteriorated rapidly. In addition, exchange losses may sharply reduce the contribution from South America. A fall in second half profits of up to 50 per cent. would leave pre-tax profits in the £35-40m. range on Thursday (£53m.).

Interim figures from **Bass Charrington** next Wednesday kick off the reporting season for the major breweries. In the second half of last year pre-tax profits dropped by 20 per cent. to leave the year £7m. lower at £50.1m. but the six months to last March is expected to have staged a recovery producing, says pre-tax profits of over £30m. against £27.2m. The extent of the upturn basically depends on how good the Christmas volume was and any reduction in the interest charge, but profits of anything less than £30m. will probably disappoint. Certainly, the analysts will be keeping a sharp eye on the figures as Bass often sets the trend for the sector.

Inevitably, **Marley's** first half profits next Wednesday are expected to show a further decline. Lower demand from new housebuilding, and reduced margins on the home improvement market, point the way to around £4½m. (£5.35m.) pre-tax. Also, some of Marley's overseas targets in France, South Africa and Canada may have been invalidated as demand slipped. Nevertheless, the signs of a possible upturn in U.K. private housebuilding may hold the year to £9½m., against £11.4m.

House of Fraser will be reporting first quarter figures for 13 weeks on Tuesday. Comparisons are made difficult by the fact that for the two preceding years, Fraser's first announcements have been for 17 weeks. Still, because the beginning of last year was particularly depressed the profits now due should beat the £2.85m. for 17 weeks a year ago. Indeed, the chairman announced yesterday that profits to be announced next week will be substantially ahead of 1974's figures. No doubt sales were pushed ahead by pre-Budget buying and profits are expected to be exceptionally high.

On Tuesday preliminary figures are expected from **Teacher (Distillers)** and **William Mallinson and Denny Mott**, together with interim results from **Gomme Holdings**. **Alfred Dunhill** is to produce full-year figures on Wednesday while **Associated Engineering** reports its interim results on Thursday.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Amalgamated Power Engineering	Thursday	1.103	1.715	[illegible]
Ayrshire Metal Products	Wednesday	0.875	1.175	0.375
Beaver Group	Wednesday	0.875	0.938	0.95
Bonas Webb	Friday	0.919†	1.2411	Nil
Borbat Tea	Tuesday	—	Nil	—
Brown Shipley Holdings	Tuesday	2.625	3.766	3.04(b)
Capper-Neill	Thursday	1.12	1.072	1.2
Chubwa Tea	Tuesday	—	Nil	—
Churchbury Estates	Thursday	1.313	1.883	1.313
Coats Patons	Thursday	0.9	1.725	0.9
Courtaulds	Thursday	1.71	3.441	1.841
Alfred Dunhill	Wednesday	1.75	2.7375	2.0
East Midland Allied Press	Wednesday	1.063	1.015	1.063
East and West Investment Trust	Wednesday	0.45	0.55(c)	0.75
Exchange Telegraph Co. (Holdings)	Thursday	1.375	2.675	1.375
Geers Gross	Friday	1.46	2.36	1.46
W. and J. Glossop	Wednesday	1.167	1.653	1.167
Grampian Television	Thursday	0.65	1.244	Nil
C. E. Heath	Tuesday	1.706	3.907	1.93
Hanover Grand	Thursday	—	0.975	—
Highlands and Lowlands Para Rubber	Wednesday	0.405	0.471	0.465
International Paint	Thursday	2.205	3.276	2.574
London & Aberdeen Investment Trust	Wednesday	—	2.4	—
William Mallinson and Denny Mott	Tuesday	0.7	0.993	0.7
Metro Town and Central Properties	Thursday	—	0.502	—
Monks Investment Trust	Wednesday	0.35	0.72	0.35
Normand Electrical Holdings	Friday	0.7	1.264	0.788
Noyapara Tea Holdings	Tuesday	—	Nil	—
Wm. Morrison Supermarkets	Wednesday	—	1.531	—
Portsmouth and Sunderland Newspapers	Thursday	0.875	1.471	[illegible]
Premier Consolidated Oilfields	Wednesday	—	Nil	—
William Press and Son	Thursday	0.245	0.771	0.275
Robertson Foods	Thursday	1.05	2.873	1.05
Scott and Robertson	Thursday	0.697	0.712	0.731
Spink and Son	Wednesday	1.75	2.941	1.675
Teacher (Distillers)	Tuesday	2.1	6.115	2.1
Transparent Paper	Tuesday	0.975	2.313	1.2
United Engineering Industries	Thursday	0.33	1.4	1.34(e)
Westpool Investment Trust	Friday	0.875	1.05	0.975
Western Brothers	Wednesday	1.525	2.964	2.067
Wheatsheaf Distribution and Trading	Thursday	1.602	2.330	1.35
Witan Investment	Friday	0.75	0.75	0.75
INTERIM DIVIDENDS				
Allied London Properties	Friday	0.938	1.19	
Associated Engineering	Thursday	0.92	2.44	
Bass Charrington	Wednesday	1.48	2.545	
Matthew Brown	Thursday	0.664	1.85	
Caravans International	Thursday	0.7	Nil	
Charterhouse Group	Friday	0.975	2.275	
Freshbake Foods	Thursday	0.175	Nil	
Gomme Holdings	Tuesday	1.467	[illegible]	
Govett European Trust	Wednesday	2.5	—(d)	
K Shoes	Thursday	0.5	2.12	
Ley's Foundries and Engineering	Thursday	1.05	2.1	
Marley	Wednesday	2.775(a)	0.824	
Morland	Thursday	3.5	5.997	
Quality Cleaners	Tuesday	0.556	1.554	
Reo Stakis Organisation	Wednesday	0.265	0.599	
Scottish National Trust	Tuesday	1.05	1.61	
INTERIM FIGURES ONLY				
British Petroleum	Thursday §			
House of Fraser	Tuesday ‡			

* Dividends shown net, pence per share, and adjusted for any intervening scrip issue. † On 25p shares. ‡ For 13 months. § First quarter figures. ¶ For nine months. (a) Includes second interim. (b) Forecast 4.06p final. (c) Includes second interim in 16-month period. (d) Declaration of dividend only.

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SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

Main event on the bids and mergers front last week was the emergence of two rival suitors for Sealed Motor Construction, manufacturers of circulating pumps for domestic and industrial heating systems. Myson Group, a major producer of central heating systems, which already holds about 13 per cent. of the SMC equity, was the first bidder to appear with share-exchange terms currently valuing each SMC share at 46p and the whole equity at £2.5m. However, this was quickly followed by news from engineering concern Adwest Group and SMC that the two Boards had reached agreement on an offer of 40p nominal of a new 10½ per cent. Convertible Loan stock of Adwest for each SMC, capitalising the latter at £2.2m. The SMC directors are recommending the Adwest offer and have irrevocably undertaken to accept in respect of their 9.9 per cent. shareholding. Despite this setback, Myson intends to pursue its offer. Stock market speculation in SMC shares on hopes of improved terms from either of the two contenders has left SMC closing the week at 45½p, up 7½ since the first bid was announced.

Paterson, Zochonis, West African manufacturers of soaps, detergents and pharmaceutical products, has succeeded in its endeavours to win control of Cussons Group, the Imperial Leather soap concern. The latter's Board which, with Cussons' family interests, have over 50 per cent. of the company's voting shares, has decided to recommend shareholders to join them in accepting PZ's recently increased offers (presently worth around £8.5m.). A full cash alternative has also now been provided by PZ.

News arrived yesterday that approaches have been made to Dawson and Barfos which may lead to an offer for the company. D and B shares responded to the announcement with a rise of 10p to 36p, capitalising the whole equity at £2.2m.

Stock Exchange dealings in Court Hotels (London), which is controlled by the South African Tollman Hotels and Tourist Industries, have been temporarily suspended at the company's request pending clarification regarding a possible offer for the company. At the suspension price of 32p, Court Hotels is valued at £0.8m.

James Warren and Warren Tea have failed to reach full agreement on terms for a merger and the talks have now been terminated.

Prices in pence unless otherwise indicated

Company bid for	Value of bid per share k	Market price k	Price before bid	Value of bid (£m's) k	Bidder	Final Acc'tce date
Bryanston Finance	7*	7	9	0.5*	A. T. Smith Organisation	—
Clifton Invs.	4½*d	5½	4½	0.15*d	Aries Hldgs.	—
Cons. Commercl.	31	30	34	1.5	Rubislaw Invest. Tst.	—
Consolidated Tin Smelters	195	181	176	7.7	Amal. Metal	—
Curzon Indl.	—	7½	4½	2.7e	Agreed merger	—
Turner (Ben)	—	7½	6¾			
Cussons Ord.	79	76	30	4.5	Ptrsn. Zochns.	6/6
Cussons "A"	70	67	30	4.0	Ptrsn. Zochns.	6/6
Dowding & Mills	37*	38	22	5.1*	General Electric U.S.	30/5
Francis Inds.	32	28	25	1.9	Eva Inds.	—
Greening (N.)	21	25	16½	4.8	Johnsn. & Firth Brown	—
Halcyon Inds.	18½b	18	20	1.0b	Richardson Smith	6/6
Hellenic & General Trust	48*	47	36	7.2*	Hambros	—
Leadenhall-Sterlng. Invests.	55*d	50	31	0.6*d	Brit. & Cmmwlth. Shipping	—
Midland-Yorkshire	490d	425	275	6.8d	Croda Intl.	30/5
Orion Insurance	240*d	238	210	3.9*d	Nationale-Nederlanden	—
Rowan & Boden	11*d	13	18½	0.1*d	Elbon	—
Scotia Invs.	17*d	18½	20	0.6*d	Alco Metrop. Properties	—
Sealed Motor Construction	40	45½g	43	2.2	Adwest Group	—
Sealed Motor Construction	46g	45½g	38	2.5g	Myson Group	—
Sheffield Twist	77½*	70	49	10.5*	SKF	12/6
Vincent (H.)	48½*d	83	55	0.3*d	Mr. E. Nassar	—
Wright Bindley	60*d	64	45	0.6*d	Pentos	—

* All cash offer. b Cash alternative. c Partial bid. d For capital not already held. e Combined market capitalisation. f Date on which scheme is expected to become operative. g Based on 23/5/75. k Based on 22/5/75. n Notional value. ‡ At suspension. † Bid

Scrip Issues

H. Samuel: One "A" for two Ordinary or "A" shares.

Seccombe Marshall and Campion: One-for-ten.

Francis Sumner (Holdings): One-for-ten.

Tricentrol: One-for-two.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Barr & Wllce. Arn.	Dec. 31	302	(711)	3.6	(9.0)	2.75	(2.807)
Beecham Group	Mar. 31	61,900	(55,000)	22.8	(20.6)	5.11	(4.714)
Berry Wiggins	Dec. 31	1,260	(1,092)	4.5	(3.8)	1.925	(1.925)
Booth (Int. Hldgs.)	Dec. 31	250	(476)	3.4	(8.7)	2.68	(3.41)
Brunning Group	Mar. 31	196	(688)	2.4	(10.3)	1.884	(3.566)
Bunzl Pulp	Dec. 31	14,067	(8,578)	22.6	(17.9)	3.672	(3.391)
Chamberlin & Hill	Mar. 31	227	(115)	10.2	(5.1)	2.042	(1.875)
Clark & Fenn	Dec. 31	977	(711)	8.5	(6.8)	2.039	(1.572)
Castings	Mar. 31	428	(304)	4.0	(3.0)	1.8	(1.68)
Coalite & Chemical	Mar. 31	9,603	(2,844)	4.0	(1.2)	0.612	(0.564)
John Crowther	Dec. 31	245	(525)	4.1	(6.7)	0.488	(0.45)
Debenhams	Feb. 1	5,807	(10,811)e	3.8	(6.7)	4.049	(4.113)
Ever Ready	Mar. 1	12,353	(12,834)	10.3	(10.8)	3.194	(2.94)
Farm Feed	Jan. 31	200	(220)	4.3	(5.9)	3.35	(3.41)
F. C. Finance	Dec. 31	127L	(1,468)	—	(11.1)	1.575	(3.608)
Frank G. Gates	Dec. 31	488	(514)	13.1	(15.0)	3.859	(3.859)
Group Lotus Car	Dec. 31	294	(1,136)	3.3	(10.2)	2.0	(3.16)
Hardy (Furnshrs.)	Jan. 25	2,569	(2,729)	5.1	(5.7)	2.819	(2.819)
Harland & Wolff	Dec. 31	16,711L	(33,012)L	—	(—)	Nil	(Nil)
Hartwells Group	Feb. 28	719	(719)	7.3	(9.5)	3.28	(3.369)
Intnl. Combustion	Dec. 31	477	(1,427)	—	(0.8)	0.65	(—)¶
Maurice James	Dec. 31	345	(223)	3.3	(2.5)	2.412	(2.174)
Allan Kennedy	Mar. 31	106	(40)	6.3	(2.6)	2.45	(2.0)
Leisure Caravan	Feb. 28	955	(768)	7.4	(5.6)	4.42	(4.05)
L. Lipton	Dec. 31	401	(258)	5.8	(6.1)	2.4	(2.215)
Lovell's Shipping	Dec. 31	339	(105)	33.0	(7.1)	6.97	(6.39)
Odex Racasan	Mar. 31	720	(595)	11.6	(9.0)	3.576	(3.268)
Ozalid Group	Dec. 31	8,942	(7,361)	17.3	(15.9)	5.3	(4.89)
Padang Senang	Sept. 30	103	(48)	2.0	(1.0)	0.5	(0.7)
Peerage of B'ham	Dec. 31	303	(381)	4.9	(3.9)	1.234	(1.125)
Plantation Hldgs.	Dec. 31	2,773	(2,088)	4.2	(3.9)	1.635	(1.507)
Pork Farms	Mar. 1	1,244	(1,035)	19.3	(15.9)	7.123	(6.444)
Pritchard Services	Dec. 31	1,272	(1,212)	2.7	(2.8)	1.112	(1.024)
Regalian Props.	Dec. 31	2,241L‡	(335)	—	(9.2)	Nil	(1.488)
Walter Runciman	Dec. 31	2,411	(1,465)	22.9	(14.6)	5.64	(5.17)
H. Samuel	Jan. 31	7,556	(6,022)	25.1	(24.3)	7.25	(4.56)
Seccombe Mrshll.	Apr. 30	435‡	(156)	43.5	(15.8)	13.971	(12.865)
Selincourt	Jan. 31	1,716	(1,716)	1.7	(2.0)	0.73	(0.68)
R. C. Slingsby	Dec. 31	220	(154)	9.1	(7.4)	2.56	(2.212)
Standard Firewks.	Mar. 31	191	(224)	7.0	(7.8)	3.729	(3.417)
Francis Sumner	Dec. 31	907	(833)	2.2	(2.2)	0.722	(0.659)
Sumrie Clothes	Mar. 29	273	(313)	5.0	(6.0)	3.0	(3.079)
O. C. Summers	Dec. 31	161	(307)	2.7	(7.1)	2.5	(3.4)
Tern-Consulate	Dec. 31	35L	(71)L	—	(—)	Nil	(Nil)
Time Products	Jan. 31	2,096	(1,687)	18.9	(15.4)	1.25	(1.146)
Totalstrs. & Grybd.	Dec. 31	291	(286)	1.6	(1.8)	0.535	(0.492)
Tricentrol	Dec. 31	1,013	(1,448)	3.9	(7.1)	1.072	(2.19)
Turnbull Scott	Jan. 31	938‡	(393)	94.3	(39.5)	8.414	(7.73)
Wedgwood	Mar. 29	4,930	(4,243)	20.9	(18.6)	3.1	(2.84)
Whitbread Inv.	Mar. 31	1,812	(1,693)	5.7	(5.6)	5.591	(5.366)
Woodmill Propty.	Sept. 30	494L‡	(171)	—	(1.9)	Nil	(0.661)
Wormalds Walker	Feb. 28	210L	(258)	—	(4.0)	Nil	(2.113)
Young & Co's Brw.	Mar. 31	738	(744)	5.1	(5.8)	2.381	(2.187)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Assocd. Fisheries	Mar. 31	1,817L	(4,573)	—	(—)
J. Brockhouse	Mar. 31	1,302	(1,007)	5.0	(4.41)
Bareo Dean	Mar. 31	761	(409)	1.209	(1.108)
John Carr	Mar. 31	657	(754)	0.5	(0.5)
Consd. Plantatns.	Mar. 31	11,309c	(7,278)	—	(—)
R. & G. Cuthbert	Dec. 31	546L	(309)L	0.35	(0.35)
J. A. Devenish	Mar. 14	158a	(157)	1.5	(1.375)
Fluidrive Engrg.	Mar. 31	253	(119)	0.716	(0.738)
Fitzwilton	Dec. 31	1,449	(1,403)	2.0d	(2.0)
M. J. Gleeson	Dec. 31	412	(550)	0.564	(0.517)
James Halstead	Dec. 31	187	(145)	Nil	(0.224)
Hawkins & Tipson	Feb. 28	549	(309)	0.7	(0.7)
Herman Smith	Jan. 11	84b	(102)	0.23	(0.23)
ICI	Mar. 31	80,000§	(122,000)	—	(—)
Kelsey Inds.	Mar. 31	310	(432)	1.0	(1.0)
Liner Concrete	Feb. 28	187	(191)	0.24	(0.22)
Lyndale Engrg.	Dec. 31	204	(105)	0.67	(0.335)
Medminster	Dec. 30	41	(65)	0.513	(0.838)
Midland Industrs.	Mar. 31	410	(265)	0.406	(0.335)
Muirhead	Mar. 31	431	(410)	0.55	(0.55)
Northern Foods	Mar. 31	2,964	(1,554)	1.0	(0.84)
Pontin's	Oct. 31	4,662†	(4,732)	1.406	(1.25)
Prop. Hay's Wharf	Mar. 31	1,743	(1,730)	1.293	(1.293)
Ransome Hoffmnn.	Mar. 28	3,126	(1,057)	1.19	(1.089)
Redfearn Glass	Mar. 30	512	(383)	0.875	(0.875)
Redman Heenan	Mar. 31	231	(175)	—	(—)
Stenhouse Hldgs.	Mar. 31	2,026	(2,259)	—	(—)
Trafalgar House	Mar. 31	9,808	(9,020)	1.588	(1.178)
Wolvhptn. & Ddly.	Mar. 31	1,838	(1,792)	1.3	(1.34)
F. W. Woolworth	Apr. 30	4,996§	(4,673)	—	(—)

(Figures in parentheses are for corresponding period.)
Dividends shown net except where otherwise stated.

* Adjusted for any intervening scrip issue. † For seven months. ‡ Net. § For three months. ¶ Not relevant. a For 24 weeks. b For 28 weeks. c For nine months. d Gross. e For 53 weeks. L Loss.

Rights Issues

Elliott Group of Peterborough: One-for-two at 25p each.

Ever Ready Company (Holdings): One-for-four at 65p each.

Gordon Johnson-Stephens: One-for-two credited 10p paid, call payable not less than 15p each.

Hawkins and Tipson: Three-for-eight at 52p each.

BIDS AND DEALS

Ellerman Lines in talks with J. W. Cameron

BY DAVID BELL

Shares in J. W. Cameron, the Yorkshire brewing group, rose 10p yesterday to close at 110p following news that it is having talks with Ellerman Lines which may lead to a bid from Ellerman. Cameron shares rose 14p on Thursday and have put on 30p in the last week.

Ellerman Lines, which apart from its shipping interests has investments in travel and leisure, already owns 29.5 per cent. of Cameron. A further 10 per cent. is owned by Bass-Charrington. If Ellerman decides to make a bid it said yesterday that it would do so for the whole of the 70.5 per cent. of the Ordinary shares of Cameron it does not now own. At yesterday's share price this would value the 70.5 per cent. at around £8.4m.

It is understood that the talks—between senior executives of both groups—are still at a very preliminary stage, but that Ellerman considers that Cameron's 700 outlets and its hotel interests would fit very well with its own investments in the leisure industry.

Ellerman acquired almost all its present stake in Cameron in January last year when it bought 27.02 per cent. of the brewing group from the Ellerman Trust, which was set up many years ago by the late Sir John Ellerman. The price at that time was also 110p per Ordinary share, but since then Cameron shares have been as low as 45p.

AGB RESEARCH

AGB Research has purchased for £96,800 cash 40 per cent. of the capital of two companies engaged in market research in Italy and in other European countries: LCM Graman SpA and Organisation Graman SA.

At end 1974 these companies had a combined asset value of £43,105 and in the year 1974 produced an aggregate pre-tax profit of £54,272. AGB expects benefits to accrue from these investments through the introduction into Italy of the continuous syndicated market research services of the type now operated in the U.K. by AGB.

CRODA—MYH

Croda International, the elec-chemicals and food group, which is bidding for Midland-Yorkshire Holdings, last night reiterated its determination not to increase its offer nor to extend it beyond May 30 under any circumstances.

In a letter to MYH shareholders, Mr. Freddie Wood, chairman of Croda, also stresses again that his company "has no plans whatsoever to make any Midland employees redundant and is not aware of any reason why there should be any redundancy."

Meanwhile Dr. E. R. Wallsgrove, chairman of MYH, has sent out another letter setting out again his Board's arguments for rejecting the offer. "Your Board and employees are united in wishing Midland-Yorkshire to remain independent and to continue on a path of vigorous growth," he says.

DAWSON & BARFOS APPROACHED

Approaches have been made by more than one interested party to the Board of Dawson and Barfos, the Wellingborough based manufacturer of essences and flavours, which may lead to an offer being made for the company.

Keyser Ullmann, which announced this last night, said it advises shareholders to take no action at present. Further information will be made available as soon as possible.

ESPERANZA SELLS CHLORIDE STAKE

Esperanza Trade and Transport has completed the disposal through the market of its holding of 625,687 Chloride Group shares. These were acquired as a result of the sale of Lead and Alloys (Holdings) in February, 1974, and were shown in the accounts at cost of £495,000. Net dividends received on this holding since February, 1974, amounted to £19,732.

The cash proceeds amounting to £552,000 are being applied to development and extension of the group's international services businesses.

NO PROBE

Shirley Williams, Secretary of State for Prices and Consumer Protection, has decided not to refer the proposed merger between Ethyl Corporation and the Edwin Cooper division of Burmah Oil to the Monopolies Commission.

CATHY PACIFIC AIRWAYS

Swire Pacific has conditionally agreed to purchase for $HK113.77m. China Navigation's 31.25 per cent. holding and the John Swire and Sons (HK) 25.52 per cent. holding in Cathay Holdings whose sole asset is its 60 per cent. shareholding in Cathay Pacific Airways.

This acquisition, together with the shareholding of its subsidiary Swire Industries, will give Swire Pacific a total attributable shareholding in Cathay Holdings of about 63 per cent. and thus control of Cathay Pacific Airways. Another benefit will be that Swire Pacific will now have control of Hong Kong Aircraft Engineering.

Additional Swire Pacific "A" shares are proposed to be issued and placed mainly in London and Europe to provide part of the consideration for this purchase and also to provide further finance for the future development of the company. For this reason at Swire Pacific's request the Hong Kong Stock Exchange has agreed to suspend quotation of Swire Pacific shares from to-day. It is anticipated that the quotation will be restored not later than May 30.

AE GROUP

COVRAD, A member of the Associated Engineering group, has purchased the capital of Coventry Motor Fittings. It has been producing automotive radiators since the turn of the century but in recent years has progressively diversified into a wider range of cooling equipment including that for heavy power plant.

WARWICK ENGNRG.

Warwick Engineering Investments, a high technology engineering company with interests in aircraft seating, metal powders, marine equipment and car sales, has bought Thom, Lamont and Company, a Paisley based manufacturer of marine pumping equipment for £32,500 cash.

Warwick, which is 70 per cent. owned by Gidney Securities, already has a subsidiary, Caird and Rayner, in a complementary field to Thom, Lamont.

THORN OFFER

Thorn Electrical Industries is offering to acquire at par value of 83p the 73,331 7 per cent. Preference shares of its subsidiary—H. Herrmann—which it does not already own.

STIRLING KNITTING

Weston Street Mills, a subsidiary of Stirling Knitting Group, has exchanged contracts for the sale of its factory at Nelson Street Mill, Leek, for £185,000.

CHARLES HURST

Charles Hurst has completed the purchase of J. L. Reid and Son for 119,300 Ordinary shares and £32,000 cash.

STERLING CREDIT

Sterling Credit, the Cardiff based instalment credit and banking group, has acquired the instalment credit business of Moorgate Mercantile (Kent) for a nominal consideration and will act as agents and collect existing debts of about £2m. on a commission basis.

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price p	+ or —	Div. Amount	Times Covered	Gross Yield	P/E Ratio
—	F.P.	—	£16¼	£13⅞	Bell Canada ($20)	£15¼	+⅛				
a	F.P.	—	£22¼	£17¼	Cent.Can. Inc. $US1	£21¼	+1¼	$1.8	—	3.8	—
R82	Nil	30/5	110	28	Doelkraal Gold Mining	100pm	—10	—	—	—	—
:	F.P.	—	1.2	120	Ewart New Northern	151	.....	—	—	—	—
140	F.P.	20/6	181	154	Rank 'A'	176	+3	—	—	—	—

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1975 High	1975 Low	Stock	Closing Price	+ or —
£1	F.P.	—	100½	98¾	Agricultural Mortgage 11% 1976	99¾	+⅛
£100	£25	—	40	32	Allied Irish 10% Conv. Uns 1985	32	—7½
£100	£10	—	11¾	11⅛	Colne Valley Water 9% Red. Prf. 1980	11¼	.....
£100	nil	—	30	21	Gestetner 'A' 10% Conv. Uns. 90/95	27pm	.....
598	F.P.	—	597	596½	Granges 9¾% Bonds 1985	597	.....
£97¾	£40	—	39½	37	GLC 12¼% Stk. 1982	38⅛	.....
a	F.P.	22/8	100	100	Greenwood & Batley 10% Uns. 1976	100	.....
£99	F.P.	30/5	102¼	98½	Lincoln Corp. 12% 1980	100¼	.....
£99	F.P.	30/5	106½	101	Mid-Kent Water 10% Prf. 1980	104½	.....
—	F.P.	23/5	15½	11¼	Mid-Southern Water 10% Prf. 1980	104½	—1
$100	F.P.	—	$100½	$100½	Norsk Hydro 9¾% Bds. 1985	$100½	.....
£100	F.P.	21/6	114	108	N. Atlantic Secs. 7½% Cnv. 90-95	114	+1
£98	F.P.	—	[illegible]	[illegible]	Ottawa-Carleton 8% Deb. 1990	$98	.....
$99	F.P.	—	$101	$98½	Papua New Guinea 9½% Guar. 1985	$100	.....
£1276	F.P.	—	105¼	100	Rickmansworth & Uxbridge 10% Prf. 1980	104½	+½
£100	F.P.	30/5	158	122	Slough Estates 10% Conv. Uns. 87/90	148	—1
£99½	£45	1/8	46½	44½	Southend-on-Sea 12¼% 1981	44	.....
£99	F.P.	11/4	105	99	S. Staffs. Water 10% Prf. 1980	104½	.....
—	F.P.	18/4	10	101	Sutton District Water 10% Prf. 1980	104	.....
—	F.P.	14/2	90	80	Worth (Bund) 12% Conv. Uns.	90	.....
£100	£50	2/10	87	67	Yorks Chems. 12½% Conv. Uns.	79	—1

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date		Stock	Closing Price p	+ or —
100	Nil	—	—	Ash & Lacy	26pm	.....
33	F.P.	16/5	2/7	Associated Biscuit	64	.....
10p	F.P.	15/5	16/6	Antura Holdings	11¼	.....
35	Nil	—	—	Cadbury Schweppes	10pm	—1½
10p	F.P.	2/5	30/5	Croda Int.	70	.....
55p	F.P.	19/5	10/6	Delta Metal	69	—1½
$1.20	Nil	—	—	EZ Inds.	90pm	—5
150	Nil	—	—	Fairclough (Leonard)	37pm	.....
175	F.P.	19/5	20/6	Guest Keen	251	+1
Dm98	Nil	—	—	Hoechst	70pm	.....
125	Nil	—	—	Linwood Hldgs.	57pm	—2
100	Nil	—	—	Manbre & Garton	26pm	—2
60	F.P.	—	—	Martin Black	104	.....
60	F.P.	16/5	13/6	Morgan Crucible	99½	+2
25p	Nil	—	—	Pahang Cons.	1pm	.....
47	Nil	—	—	Rickard & Wallington	23pm	.....
Kr60	Nil	—	—	S.K.F. "B"	200pm	.....
95	Nil	—	—	Simon Eng.	18½pm	+1½
77	F.P.	12/5	6/6	Spirax-Sarco	119	.....
315p	Nil	—	—	Sun Alliance	120pm	—2
125	Nil	—	—	Tarmac	15pm	.....
190	F.P.	29/4	1/5	Tube Invs.	292	.....
25	Nil	—	—	Western Selection	12pm	—1

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital, cover based on dividend on full capital. p Pence unless otherwise indicated. s Forecast dividend: cover based on previous year's earnings. F Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ♦ Offered to holders of Ordinary shares as a "rights." ♥ 230 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ♦ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ♣ Introduction. ♠ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † Provisional or partly-paid allotment letters. § With warrants.

BASE LENDING RATES

AFI International	9½%
Allied Irish Banks Ltd.	9½%
Anglo-Portuguese Bank	10 %
Henry Ansbacher	10½%
Banco de Bilbao	9½%
Banco de Jerez	10½%
Bank of Cyprus	‡10 %
Banque du Rhone S.A.	10 %
Barclays Bank	9½%
Barnett, Christie Ltd.	11 %
Bremar Holdings Ltd.	10½%
Brit. Bank of Mid. East	9½%
■ Brown Shipley	10½%
Cayzer, Bowater Co. Ltd.	10½%
Cedar Holdings	11 %
■ Charterhouse Japhet	10½%
C. E. Coates	10½%
Consolidated Credits	12 %
Continental Trade Bk.	9½%
Co-operative Bank	* 9½%
Copleys Bank	11½%
Corinthian Securities	9½%
Credit Lyonnais	9½%
G. R. Dawes	10½%
Duboff Brothers	11½%
Duncan Lawrie	10½%
English Transcont.	11½%
First London Secs.	9½%
■ Antony Gibbs	10 %
Goode Durrant Trust	10 %
Greyhound Guaranty	9½%
Grindlays Bank	10 %
■ Guinness Mahon	10½%
■ Hambros Bank	9½%
Hawtin & Partners	13 %
■ Hill Samuel	§10 %
C. Hoare & Co.	† 9½%
Julian S. Hodge	10½%
Industrial Bank of Scot.	9½%
Jacobs, Kroll	11½%
Keyser Ullmann	10½%
Kinghurst Securities	12 %
Lloyds Bank	9½%
London & European	11½%
London Mercantile	11½%
Midland Bank	9½%
■ Samuel Montagu	9½%
■ Morgan Grenfell	9½%
Morris Wigram Ltd.	11½%
National Westminster	9½%
Northern Comm. Trust	11½%
Norwich General Trust	10 %
Portman Guaranty	11 %
P. S. Refson & Co.	9½%
Rossminster Accept'cs	9½%
Royal Trust of Canada	10½%
E. S. Schwab	11½%
Security Trust Co. Ltd.	11 %
Shenley Trust	11½%
Standard & Chartered	9½%
Sterling Credit	12 %
Stewart Salmon & Co.	9½%
Thames Guaranty	12 %
Trade Development Bk.	9½%
Twentieth Century Bk.	11½%
United Bank of Kuwait	9½%
Wallace Brothers Bank	10½%
Whiteaway Laidlaw	10 %
Williams and Glyn's	9½%
Yorkshire Bank	9½%

■ Members of the Accepting Houses Committee.
* 7-day deposits 6½%, 1-month deposit 6¾%.
† 7-day deposits on sums of £10,000 and under 6½%, up to £25,000 6¾%, and over £25,000 7½%.
‡ Demand deposit 6½%.
§ Demand deposit 7½%.

INSURANCE BASE RATES

† Atlantic Assurance	11½%
Cannon Assurance	9 %

† Address shown under Insurance and Property Bond table.

BREEDON AND CLOUD HILL LIME WORKS LIMITED

Col. P. H. Lloyd reports that progress has been well maintained

The 42nd Annual General Meeting of Breedon and Cloud Hill Lime Works Limited was held on May 23 at the Company's Offices, Breedon-on-the-Hill, Leicestershire.

The following is the circulated review of the Chairman, Col. P. H. Lloyd, C.B.E., T.D., D.L.:—

The complexities of the economy in general have added very greatly to the difficulties which have persisted throughout the year. Nevertheless I am pleased to be able to report that the progress referred to for the first six months of the year has been well maintained and indeed has shown some improvement.

ACCOUNTS

The turnover for the Group during the year ended 31st January, 1975, amounted to £2,046,528, which compares with £1,786,175 for the previous year.

The increase in Group Profit on trading is £59,395 which represents an increase of 11.9% compared with last year. After taking into account income from quoted investments of £11,882 (£8,211) interest received of £30,232 (£26,078) and the loss on sales of investments amounting to £39,240 (£1,728) the consolidated profit before tax for the year was £561,471 against £531,763 for the previous year.

The charge for taxation for the year amounted to £305,832, for the previous year the charge was £259,628. Taking this into account the profit after taxation amounted to £255,639 compared with £272,135. The increase in the rate of Corporation Tax to 52% is reflected in the considerable increase in the total Tax charge for the current year.

During the course of the year under review your company acquired additional land contiguous to the quarries. However, in view of the uncertain climate created by doubts as to the future level of public expenditure referred to below, your Directors considered it prudent to defer part of the capital expenditure described in the Chairman's Review accompanying the last Report and Statement of Accounts until the economic outlook clearly justifies a further increase in your company's productive capacity.

DIVIDENDS

Your Directors recommend the payment of a Final Dividend of 3.474p per share (2.986p last year) making a total for the year of 4.974p per share (4.486p) which takes advantage of the maximum increase allowed. After this payment the profit retained in the business amounts to £104,554 from which a transfer has been made of £100,000 to General Reserve which now stands at £445,000.

FUTURE

Cutting back on public expenditure appears to be giving cause for a somewhat less optimistic outlook for the future, even so there is some reason to believe that the ensuing year although full of difficulties can be approached with a modicum of confidence. Given reasonable industrial calmness in the economy as a whole, the coming year may yet prove to be as successful as the year just ended.

STAFF

I extend my thanks to all our employees for so readily and efficiently adapting to the changing conditions which the company has had to face during the year.

THE TRUST UNION, LIMITED

DIRECTORS

Anthony G. Touche, F.C.A., Chairman
Anthony A. Arnaud, F.C.I.S., Managing Director
Sir Frederick A. Hoare, Bt.
Raymond Davidson

TEN-YEAR RECORD
(Adjusted to present capital)

Year ended 31st Mar.	Gross Income £	Ordinary Shares Earned p	Ordinary Shares Paid p	Total Assets less current Liabilities £	Net Asset Value of Ordinary Shares p
1966	782,221	2.85	*1.87	15,055,024	59.2
1967	665,363	2.27	1.94	14,274,885	55.5
1968	701,550	2.42	2.00	20,104,109	82.5
1969	714,708	2.45	2.06	24,964,419	105.0
1970	719,251	2.48	2.12	21,930,467	91.0
1971	742,140	2.58	2.25	20,833,469	85.9
1972	769,453	2.70	2.40	28,755,489	122.6
1973	802,318	2.78	2.50	26,073,476	110.2
		=1.63	=1.64		
1974	968,827	2.44	1.80	†21,640,269	83.8
1975	1,183,591	2.49	2.00	22,577,916	88.2

* Plus 0.13p non-recurring dividend.
† U.S.$3,000,000 Loan raised.

Earnings and dividends are shown on a "gross" basis up to 1973 and the equivalent 1973 "net" figures are given to facilitate comparison with the figures for subsequent years which are on a "net" basis.

WALL STREET + OVERSEAS MARKETS + CLOSING PRICES

Prime Rate cut lifts stocks

BY OUR WALL STREET CORRESPONDENT

NEW YORK, May 23.

A REDUCTION in the Prime Rate by First National City Bank helped stocks advance, although turnover was moderate as some investors appeared reluctant before the holiday week-end.

The Dow Jones Industrial Index rose 12.99 to 831.90, while the NYSE common stock index added 0.60 to 48.05. Advances topped declines, 941 to 447 in a turnover of 17.87m. The Transport index gained 1.11 to 167.98 and the Stocks index rose 2.32 to 233.16.

Optimism about the economic outlook for the second half of 1975 was regarded as another positive influence by investors.

Du Pont spurted $3¾ to $127½ and brought to more than five points its gain in the last two sessions after stating that its textile fibre business was recovering.

Lockheed jumped $2⅜ to $11½ following a bullish company earnings projection.

Monsanto fell $1⅞ to $66⅛ after filing with the Securities and Exchange Commission for a debt offering and reporting a fall in April earnings.

Automotive shares added fractions despite a sharp decline in mid-May sales of new cars.

Prices advanced in moderate trading on the American Stock Exchange. The Amex index rose 0.90 to 87.73, while advances topped declines, 364 to 230. Turnover amounted to 2m. shares.

OTHER MARKETS

Canada higher

Canadian Industrials and Western Oils advanced strongly to lead share prices generally higher in moderate activity. Only Golds declined. The Industrial Index rose 1.16 to 187.39, Western Oils gained 1.09 to 180.87 and Base-Metals put on 0.46 to 73.78. Total volume was 2.09m. shares

PARIS—The market was mixed in quiet trading with the strength of bullion repelling investors. Foods, Electricals, Oils and Metals were steady while most other sectors were irregular. Michelin "B" lost Fr.20 and L'Oreal Fr.19.

FRANKFURT — Shares fell generally on a distinct lack of demand, with leading Chemicals, Electricals, and Motors dropping up to DM1.60. Banks were mixed, with Deutsche Bank DM5.20 lower despite anticipating good 1975 results. It is due to go ex-dividend on Monday. Karstadt led Stores down DM5 after announcing a capital rise and unchanged dividend. Veba, whose Gelsenberg unit announced a reduced 1974 dividend, fell DM4.70.

The bond market responded very favourably to Thursday's Bundesbank decisions, and public issues firmed up to DM0.70.

AMSTERDAM — Dutch internationals firmed, led up by Royal Dutch and AKZO, following the dollar's recovery and Wall Street's steadiness.

Losses predominated in local issues, led by KNP, Ahold, RSV, VMF and OCE. Gains were headed by Amfas, Hal Nationale Nederlanden and Gist-Brocades. Major Banks eased, while Shippings were mixed and most Insurances gained.

MILAN—The market closed irregularly lower in quiet trading. Fiat, Montedison and Assicurazioni Generali made small gains, while Ciga fell L390 following adverse resuts and capital write-down. Other stocks were mostly lower.

BRUSSELS—Prices were mixed in thin turnover. Selective buying focused on actively traded oil stocks Petrofina and Cometra, which rose sharply. Kredietbank rose slightly after announcing higher 1974 profit and dividends. Vielle Montagne was steady after reporting higher profits.

ZURICH—Prices were steady on fresh buying after the recent decline in fairly active trading. Leading banks were steady. In Financials Juvena Bearer and participation certificates and Derlikon-Buehrle recovered strongly. Elektrowatt fell markedly.

JOHANNESBURG—Gold shares were at or near the day's lows, reflecting weaker bullion indications. Turnover was moderate with trading patchy and mostly on local account. Financials were lower in line with producers.

TOKYO—The market advanced initially but prices later turned lower on Washington reports that oil producers are expected to raise prices by the end of the summer.

AUSTRALIA—The market ended the week on a firm note despite profit-taking with prices closing at the highest for several days. Among market leaders BHP jumped 26 cents to $A5.80 bringing the overall gain in the week to over 70 cents.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport	Indus	Util.	Trading volume '000*
May 23	67.89	167.98	831.90	77.17	—
22	67.90	166.87	818.91	77.25	17,610
21	67.94	166.42	818.68	77.17	12,640
20	67.85	163.22	830.49	78.05	18,310
19	67.96	169.66	857.69	77.16	17,870
16	67.95	168.60	837.61	78.16	16,650
15	67.64	170.59	848.80	78.86	27,690
14	67.61	173.47	856.73	78.50	29,060
13	67.65	172.36	850.13	78.64	24,450
12	67.61	171.65	847.47	78.48	22,410
9	67.64	171.91	850.15	77.90	28,440
8	67.69	170.72	840.50	76.57	22,980
7	67.68	170.85	836.44	75.47	22,250
6	67.63	171.30	854.72	75.25	35,410
5	67.54	174.12	856.60	76.19	22,370
2	67.32	171.99	848.48	74.64	25,210
1975 High	68.92 (4/4)	174.12 (5/5)	858.73 (14/5)	91.98 (21/1)	—
Low	66.16 (3/1)	146.47 (2/1)	632.04 (2/1)	72.02 (2/1)	—
All-time High	—	279.88 (7/2/69)	1051.70 (11/1/73)	163.32 (20/4/65)	—
Low	—	13.23 (8/7/32)	41.22 (2/7/32)	10.58 (28/4/42)	—

¥ Excluding Bonds.

IND. DIVIDEND YIELD p.c.

May 20	May 9	May 24, 1974
4.61	4.54	4.49

N.Y. SE ALL COMMON INDEX

December 31, 1965=50.

1975 High	1975 Low	M'y23	M'y22	May21	M'y20	May19
48.85 (14/5)	37.06 (2/1)	48.05	47.45	47.27	47.80	48.01

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,802	941	447	414

	M'y23	M'y22	May21	M'y20	May19
New Highs	94	51	82	101	75
.. Lows	8	5	4	3	5

AMERICAN SE MARKET VALUE INDEX

Starting base 100 Aug. 31, 1973.

1975 High	1975 Low	M'y23	M'y22	May21	M'y20	May19
87.85 (14/5)	62.20 (2/1)	87.73	86.85	86.75	87.57	87.21
Volume ('00's)		2,000	2,000	2,010	2,240	1,880

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
May 23	102.12	90.58
.. 22	100.72	89.39
.. 21	100.36	89.06
.. 20	101.51	90.07
.. 19	102.06	90.43
.. 16	101.93	90.43
.. 15	103.06	91.41
1975 High	104.04 (14/5)	92.27 (14/5)
1975 Low	77.71 (8/1)	70.74 (5/1)

* 425 Industrials. † 325 Industrials, 50 Utilities, 25 Rails.

STOCK AND BOND YIELDS

	May 23 1975	May 14 1975	May 5 1974
Ind. Ord. yield pc ...	3.76	3.63	3.59
Ind. Ord. p.e ratio	10.30	10.75	11.65
Long-term Govt. Bds. per cent.	5.89	6.00	6.73

FRIDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Sony Corp.	305,300	11	+⅛
Amer. Tel. and Tel.	202,100	49⅝	+⅜
Teleprompter	174,500	6⅜	+⅛
Lockheed	152,300	11½	+2⅜
RCA Corpn.	146,580	19⅞	+1
Texas Utilities	128,300	21	+⅛
Texaco	120,600	24½	—
Safeway Stores	117,100	46⅛	+⅞
Honeywell	116,300	36	+1½
Intnl. Flavour and Fragrance	114,100	30⅜	−⅛

TORONTO

INDUSTRIAL INDEX

May 23	May 22	1975 High	1975 Low
187.39	186.23	188.86 (1974	159.41 (2/1)

MONTREAL

INDUSTRIAL INDEX

May 23	May 22	1975 High	1975 Low
195.96	193.96	197.96 (14/3)	159.93 (2/1)

COMBINED INDEX

May 23	May 22	1975 High	1975 Low
190.13	188.41	191.02 (14/5)	138.02 (2/1)

JOHANNESBURG

	May 23	May 22	1974-75 High	1974-75 Low
Industrials	209.9	206.7	210.3 (17/2)	183.0 (23/1)
Golds	323.5	339.0	379.1 (2/1)	283.2 (15/4)

1958=100. Source: Rand Daily Mail. * 1974.

MELBOURNE YIELDS

W'ge yield on all Leading Stocks	May 23	May 22	May 16
On Dividends	7.58	7.58	7.65
On Earnings	14.44	14.44	14.50

SYDNEY ALL ORD. INDEX

May 23	May 22	High 1975	Low 1975
369.84	363.48	369.84 (23/5)	289.88 (9/1)

TOKYO NEW SE INDEX

Base=100 January 4, 1968.

May 23	May 22	High 1975	Low 1975
330.00	332.96	332.96 (22/5)	268.24 (10/1)

HONG KONG INDEX ⊕

May 23	May 22	High 1975	Low 1975
323.64	326.89	336.25 (21/5)	160.42 (9/1)

SINGAPORE INDEX §

May 23	May 22	High 1975	Low 1975
244.60	247.92	268.69 (11/3)	163.26 (8/1)

EUROPE

	May 23	Prev. day	1975 High	1975 Low
Belg'm (a)	109.25	108.83	111.81 (15/5)	89.07 (2/1)
Denm'k (b)	90.23	90.86	90.86 (22/5)	73.06 (13/1)
France (d)	66.3	65.8	72.6 (25/4)	51.70 (2/1)
Germ'y (e)	679.8	685.6	726.1 (16/4)	573.2 (2/1)
Holland (f)	102.4	102.7	107.6 (8/5)	83.2 (2/1)
Italy (g)	94.42	94.21	106.86 (21/2)	85.86 (6/1)
Spain (h)	104.63	103.73	110.96 (22/4)	91.32 (10/1)
Sweden (k)	368.22	367.80	376.65 (16/5)	310.5 (8/1)
Switz'rl'd (m)	277.3	278.1	296.1 (6/5)	230. (2/1)

Indices and base dates (all base values 100)—(a) Belgian S.E. 31/12/63. (b) Copenhagen S.E. 1/1/73. (d) Paris Bourse 1961. (e) Commerzbank December, 1953. (f) Amsterdam Industrial 1970. (g) Milan General 2/1/73. (h) Madrid S.E. 31/12/74. (k) Stockholm Industrial 1/1/58. (m) Swiss Bank Corp. 31/12/58. (u) Unavailable. ⊕ Hang Seng Bank 31/7/64. § Straits Times 1966. (c) Closed. † Adjusted.

F.T. CROSSWORD PUZZLE No. 2,786

A prize of £3 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10, Cannon Street, London, EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....

ACROSS

1 Artist in pawn seeks a place for his car (6)
4 London parish includes alternative right to obtain on trust (6)
8 Ulster's upset with the consequences (7)
9 The girl that is after the country (7)
11 Their chain gives presidents an official position (2, 3, 5)
12 Drawn in restraint (4)
13 The animal, though shy, turns up (5)
14 A lordly manner for a thousand to display (5, 3)
16 To stick closely to the language makes it barbarous (3-5)
18 Something underhand gets by in the House (5)
20 It is not right to be stingy (4)
21 China claims the sovereign race (5, 5)
23 The crime of receiving stolen goods (7)
24 "If life had a second ——, how I would correct the proofs" (J. Clare) (7)
25 Suitable mascot for the Met. Office, we hear (6)
26 Epic hero's father introduces us to a famous footballer (6)

DOWN

1 The inexperienced must get back in the money (5)
2 Approximately in a boorish manner (7)
3 For legal redress seek out a tennis player (2, 2, 5)
5 Euphoric condition of a BBC announcer (2, 3)
6 Criticised like the Sunday joint (7)
7 Exhibition once staged in a town of apartheid (5, 4)
10 Precarious state possibly resulting from a phone call (7, 2)
13 Korea has not many on the short list (6, 3)
15 Nervous like every skater (3, 2, 4)
17 Fifty accompany the football team to the French town (7)
19 "His better doth not —— upon the earth" (Richard III) (7)
21 See pain in secret store (5)
22 Profits for a servant (5)

SOLUTION TO PUZZLE No. 2,785

OVERCLOUD AMID / EWIGWATIC LITHE / THEWITCHINGHOUR / ROCKSOLID DRIFT / SCARF DISMANTLE / NEEDLEANDTHREAD / STERN TOLERANCE / YANK CORSELETS

SOLUTION AND WINNERS OF PUZZLE No. 2,780

ROCOCO SNAPSHOT / SENSELESS NOMAD / MOAT OVERCHARGE / RUSTLER MARSHY / CRUMBS SENEGAL / EVENNUMBER SHUN / GABLE TAILPIECE / TIREESOME CLOSET

Following are the winners of last Saturday's prize puzzle:

Mrs. M. S. Landsberg, 50, Penshurst Gardens, Edgware, Middx., HA8 9TP.

Mr. H. Peers, 112, Brereton Avenue, Cleethorpes, DN35 7RL.

Mr. F. W. Watson, 7, Scorton House, Lancaster, LA1 4QT.

RACING BY DOMINIC WIGAN

Jumpabout appeals

EPSOM-TRAINED *Jumpabout* could hardly have won Kempton's usually highly-competitive Jubilee Handicap (2.30) more easily a year ago, when he had only to be shaken up to beat Red Brigand by five lengths, and he seems sure to be made favourite to win the Ultramar-sponsored race again.

He did well in several other races last season, notably when second in the Rosebery Stakes here, the City and Suburban Handicap on his home course and the PTS Laurels Stakes at Goodwood, but has made only one appearance to date this season in the City and Suburban a month ago. John Sutcliffe Jnr.'s Double Jump horse then ran respectably without ever threatening to win, finishing 7th of 18 behind Swell Fellow and Mon Legionnaire.

Jumpabout, who with 8 st 5 lb is set to carry only 7 lb more than a year ago, may have most to fear from that vastly improved filly of last year Calaba. This bay daughter of Nelcius, bidding for a sixth consecutive victory, ended a remarkably successful season in September when decisively beating Fair Breeze in the valuable Sportsman Club Handicap at Sandown.

Calaba again has the assistance of Lester Piggott, who knows her so well, and recent homework suggests that the lack of an outing this campaign will not count against her. However, in what promises to be a far more competitive race than last year's running produced, I expect the still possibly well-treated Jumpabout to have the edge

Even if Calaba does not prove up to giving Piggott success in the "Jubilee," I shall be more than surprised if Europe's most sought-after jockey fails to land at least one winner. His best prospects could well be Mr. Ravi Tikkoo's *Neutron Star*, whom he partners in the Ladbroke Cesars Palace Handicap (2.0).

The Scobie Breasley-trained four-year-old justified heavy support in the two miles March Handicap on 2,000 Guineas day—winning easily from Flash Imp—and, although this 1½ miles may be on the sharp side for him, the Epsom representative is unlikely to fail.

Breasley and Piggott again combine when they rely on *Fastacre* in the Saxon Handicap (3.0). This three-year-old Linacre colt, a game winner from Velvella, to whom he was conceding over a stone, at Epsom a month ago, can make amends for a recent disappointing display in Newmarket's Glenlivet Handicap by outpacing Hillandale.

While Jumpabout is trying to win the "Jubilee" for the second time, his year-younger stable mate, Last Tango, will be trying to open his account for the season in Doncaster's most valuable event, the Amoco Handicap (2.30). Last Tango, a four-lengths runner-up to My Eagle at Thirsk a week ago, seems sure to go close, but I doubt that he will deal with the progressive *Polly Peachum*.

Turning to Ayr, where *Pyromalion* is tentatively suggested for the Brooke Bond Tea Cup (2.15), *Blessed Buddha* is a far more confident vote for the Cumbraes Stakes (1.15).

KEMPTON
1.30—Le Chat
2.00—Neutron Star**
2.30—Jumpabout
3.00—Fastacre
3.30—Spring Stone

AYR
1.15—Blessed Buddha***
1.45—Westgate Boy
2.15—Pyromalion
2.45—Reverlis

DONCASTER
1.30—Mr. Resistor
2.00—Astronomical
2.30—Polly Peachum*

OVERSEAS SHARE INFORMATION

NEW YORK

CANADA

GERMANY

MILAN

AUSTRALIA

TOKYO

SWITZERLAND

PARIS

STOCKHOLM

AMSTERDAM

JOHANNESBURG

BRUSSELS

SPAIN

OSLO

COPENHAGEN

VIENNA

NOTES: Overseas prices exclude $ premium. Belgian dividends are after withholding tax.

هكذا امة الأصل

STOCK EXCHANGE REPORT

Equity markets quietly firm ahead of Bank holiday

Index up 5.3 at 355.0—Small reaction in Gold shares

Account Dealing Dates

*First Dealings	Declarations	Last Dealings	Account Day
May 5	May 15	May 16	May 28
May 19	May 29	May 30	Jun. 10
Jun. 2	Jun. 12	Jun. 13	Jun. 24

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

Although the approaching Bank holiday served to restrict business yesterday, equity markets traded firmly. Helped by a favourable Press response to the first-quarter figures from ICI, leading industrials opened a little higher and, with a few genuine investment buyers about, prices responded fairly quickly during the morning session. Thereafter, interest was down to the barest minimum, but the underlying trend remained firm and the FT-30 share index closed 5.3 up at 355.0, and only 0.9 below last Tuesday's peak for the year. Over the week the index recorded a rise of 13.2.

Second-line equities also put on a firm performance, but as with the leaders the level of trade left much to be desired. Rises were in a majority over falls by about 2-1 in FT-quoted Industrials, while the FT-Actuaries' All-Share index improved 0.7 per cent. to 149.95.

Overnight U.S. selling combined with a fall of $1.50 to $173 per ounce in bullion caused a reaction in Gold mining shares after the recent strong upward movement. Closing falls, however, were not particularly heavy and the Gold Mines index ended only 9.1 down at 433.2, still leaving a rise of 43.4 on the week.

Short Gilts better

Once again, short-dated stocks claimed most of the attention in British Funds yesterday. Fresh demand developed after the previous day's late setback and, with sentiment helped later in the day by news of the reduction of ½ per cent. to 7 per cent. by First National City Bank in its prime rate, closing gains ranged to ⅜. In contrast, mediums and longs remained quiet and ended without alteration. The Government Securities index shed 0.02 to 57.58, to leave a net gain on the week of 0.08.

Further overseas Gold share activity and fresh institutional support took the premium higher to 109¾ per cent., but business tailed off during the afternoon and the rate came back to 105¼ per cent. for a net loss of ¾ on the day. Yesterday's SE conversion factor was 0.5402 (0.5452).

News that the Anglo/Romanian settlement talks had made only limited progress and have adjourned caused dealers to mark down Romanian Bonds; the 4 per cent. Consols were lowered 4½ points to £10½ and the External Loan 2 to £9¾.

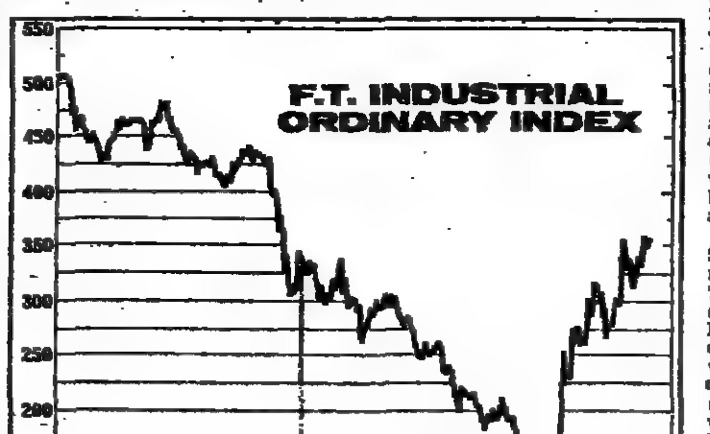
Australian Banks firm

Bolstered by favourable "down-under" advices and dollar premium influences, Australian issues were the best performers on the banking pitch yesterday. Bank of New South Wales led the advance, rising 40 to 695p, while National Bank of Australasia gained 28 to 305p and Commercial Bank of Australia rose 23 to 283p. Home banks took a turn for the better, but business again was very thin. National Westminster recovered 10 to 235p, Barclays picked up 7 to 282p and improvements of 5 were seen in Lloyds, 235p, and Midland, 260p. Buyers came for Discounts, which closed firmer throughout the list. Gerrard and National, at 280p, rose 15, as did Allen Harvey and Ross to 285p. Union improved 7 to 317p. In Merchant banks, Brown Shipley held firm at 163p ahead of Tuesday's results.

Insurances displayed no set trend after a small trade. Sun Alliance shed 5 more to 425p, while the "new" nil-paid shares cheapened 2 to 120p premium.

Up 14 on Thursday on small speculative buying in a thin market, J. W. Cameron closed a fresh 10 higher at a 1975 "high" of 110p following late news yesterday that discussions are being held with Ellerman Line which may lead to Ellerman making an offer for the outstanding 70.5 per cent. in Cameron it does not already own. Elsewhere in Breweries, Wolverhampton and Dudley picked up 5 to 130p on the chairman's bullish statement accompanying the half year figures. Bass Charrington hardened 1 to 106p ahead of next Wednesday's interim results.

L. Fairclough were quoted ex the "rights" issue at 185p, down 9, while the new nil-paid opened at 40p premium and closed at 37p premium following a fair turnover. French Kier "A" shaded ½ to 9½p on further consideration of the capital reorganisation plans and State aid. On a more cheerful note, London Brick hardened 2 to 50p and A. P. Cement put on 3 to 161p.



After Thursday's rise of 7, ICI improved afresh to 286p following Press comment on the first quarter figures before closing 3 better on balance at 284p. Norsk Hydro were marked up 4½ points to £84½, but Crystalate closed a shade easier at 3p on the trading deficit.

EMI rise

Electrical leaders improved in a small business with EMI, still helped by its new X-ray scanner, closing prominently firmer at 197p, up 8. GEC put on 3 to 127p and BICC 2 to 124p. Thorn Electrical added 4 at 152p while Philips' Lamp on investment premium influences, closed just 5 firmer at 860p, after 880p. Elsewhere, Racal Electronics moved up 9 to 276p, while Pye Holdings gained 3 at 35p and James Scott 2 at 12p.

After a hesitant start, Stores rallied to close at, or near, overnight levels. Marks and Spencer ended unaltered at 235p, after 232p, while UDS, 109p, and House of Fraser, 90p, put on 2 apiece; the last-named following the chairman's encouraging remarks about next Tuesday's first-quarter figures. Debenhams, at 83p, lost a penny following Press comment on the results. Hardy and Co. (Furnishers), however, were wanted, the Ordinary and the 'A' both closing 4 to the good at 41p and 40p respectively.

With the exceptions of Hawker Siddeley, a good market at 284p, up 10, and Metal Box, which rose 7 to 304p, after 305p, on overseas earnings considerations, the Engineering leaders showed little change at yesterday's close. Elsewhere the first quarter profits contraction depressed Amalgamated Metal, down 7 at 178p, while lower half year earnings left Spooner Industries 2 cheaper at 28p.

Foods were quietly firm. Cavenham, 138p, and Tate and Lyle, 260p, put on 3 apiece, while Spillers hardened 1½ to 43½p. Northern Foods moved up 4 to 78p following Press comment on the interim report, while Associated Fisheries, at 35p, regained 2 of the previous day's fall of 8 which followed the first-half trading deficit. Rises of 5 were scored by Nurdin and Peacock, 85p, and Bishop's Stores "A," 60p.

Pontin's returned to favour, rising 3½ to 28p in a thin market. J. Lyons "A" rallied 4 to 164p. J. Borel, however, were marked down 8 points to £115 following news that control of the company is likely to pass from W. R. Grace to M. Jacques Borel.

Reed Intl. erratic

Miscellaneous Industrial leaders improved on moderate investment buying. Disappointing fourth quarter results failed to deter Reed International which, after losing an early gain of 3 on the news, moved up to 276p for a net rise of 8. Bowater added 7 at 163p, while gains of 5 occurred in Beecham, 303p, after 306p, Boots, 265p, and Glaxo, 413p, after 417p. Australian and local demand pushed Broken Hill Proprietary 35 higher to 720p. Elsewhere, Dawson and Barfos advanced 10 to 36p on news of the approaches which may lead to an offer. De La Rue rose 9 to 185p ahead of results due June 3, while Press comment raised Horizon Midland 3 to 26p and AAH 6 to 122p. Hay's Wharf added 5 at 137p, still on the half-time statement. White Child and Beney appreciated 9 to 163p in a narrow market. The Hong Kong-based Hutchison International receded 5 to 38p on the "rights" offer news and year's loss.

A quiet and uneventful day in Motors was only disturbed by ERF, which lost all of Thursday's speculative advance of 7 at 38p.

Thomson Organisation provided a good feature at 197p, up 9, following fresh speculation on the company's North Sea interests. Beaverbrook "A" hardened 2 to 33½p and Associated Newspapers moved up 4 to 118p. DRG remained on offer in Papers, losing 4 more to 116p in further response to the chairman's statement.

Activity was at a low ebb in leading Properties, which mainly closed a little easier. MEPC slipped further to 159p before picking up on the Canadian subsidiary's half-time figures to 161p for a net loss of 3. Land Securities were finally 2 off at 205p, after touching 209p, while the funding operation left Town and City Properties 2 easier at 28p. The Australian Lend Lease, however, continued to strengthen and ended 16 higher at 290p.

BP buoyant

British Petroleum made a buoyant showing in Oils, moving ahead on a steady demand to close 15 up at 472p, after a peak for the year of 475p. Burmah attracted small support and hardened 2 to 30p, while a good business in Shell Transport left a gain of 2 at 333p, after 335p. Royal Dutch, still influenced by the investment premium, ended ½ firmer at £27¾, after £27⅞. After an initial rise to 204p, Ultramar met profit-taking following first-quarter figures and reacted to 196p before picking up again to 200p for a net gain of 4. After the recent sharp reaction on the poor results, Tricentrol encountered "bear covering" and some genuine support in response to Press comment and rallied 7 to 71p, this leaves a loss of 7 on the week. Siebens North Sea Oil and Gas (U.K.) rose 65 more to 920p for a week's advance of 295p on North Sea speculation. Coalite and Chemical added 1 more at 23½p, still on its shareholding in Siebens. Other North Sea issues to improve further included Premier, 1½ up at 21½p, and CCP, a point higher at £26½.

Shippings managed to harden in places, although the volume of business was extremely small. P. & O. Deferred edged forward 2 to 117p as did J. I. Jacobs to 24p, after 25p. Lyle picked up 4 to 222p and Reardon Smith "A" gained 3 at 228p.

With preliminary results due next Thursday, Courtaulds attracted a small investment interest and closed 3 better at a 1975 "high" of 130p, for a gain on the week of 14. Elsewhere in quietly firm Textiles, Carpets International hardened 2 to 77p as did Tomkinsons to 49p. A small investment demand was enough to help Tobacco leaders close the week on a firm note. Imps improved 1 to 61p and Bats hardened 2 to 325p.

South Africans were featured by O. K. Bazaars "A" which improved 35 to 825p, while gains of 20 occurred in Tiger Oats, 770p, and Greatermans "A", 410p.

Further consideration of Thursday's disclosure that merger discussions with Warren Tea had been terminated brought about a fresh reaction of 6 to 94p in James Warren, making a two-day fall of 12; WT shaded 1 to 79p.

Golds boil over

After the past week's orderly advance in Gold shares which had raised the Gold Mines index 32.5 to an all-time high of 442.3 by Thursday, the market turned easier yesterday, lowering the index 9.1 to 433.3. The reaction mirrored the trend in the bullion price which came back $1.50 to $173 per ounce but was still $7 up on the week.

Losses yesterday ranged to £2 in West Driefontein at £33. Of other falls, Libanon came back £1 to £16¼ and in the lighter-weight class Kinross reacted 20 to 790p.

Financials maintained a firm undertone for the most part. Several of them reached new highs for the year, Union Corporation rising 7 more to a peak of 560p. Patino, however, lost 30 more to 970p. Diamonds and Platinums were quietly firm.

Australians edged higher and occasionally reached 1975 record prices. Western Mining rising 10 to 209p. Pancontinental, however, ran into profit-taking and lost 15 to 390p but were still 90 up on the week.

In the Copper group, prices were little changed but they were still showing good gains on the week. Palabora moved up 15 to 930p to show a rise of 70 on the week while Messina retained a week's gain of 30 being unaltered yesterday at 375p.

Elsewhere, Cape demand added 20 to Murchison at 720p. Silvermines touched a year's high of 81p before ending the day 2 up at 78p; the shares have put on 26 this week on continued hopes for the company's Irish offshore oil exploration interests.

FINANCIAL TIMES STOCK INDICES

—	May 23	May 22	May 21	May 20	May 19	May 16	A year ago
Government Secs	57.58	57.60	57.62	57.62	57.57	57.50	58.64
Fixed Interest	57.67	57.62	57.41	57.24	57.14	57.17	58.15
Industrial Ordinary	355.0	349.7	351.6	355.9*	353.8	341.8	289.2
Gold Mines	433.2	442.3	425.6	402.7	405.9	389.8	317.0
Ord. Div. Yld. %	5.85	5.96	5.93	5.84	5.86	6.06	6.85
Earnings Yld.%(full)(a)	17.71	17.96	17.86	17.19	17.21	17.79	17.65
P/E Ratio (net) (a) (b)	7.96	7.84	7.88	8.20	8.18	7.91	8.05
Dealings marked	5,849	7,561	9,034	8,818	6,981	6,652	†5,630
Equity turnover £m	—	69.98	28.80	129.85	85.46	95.63	53.39
Equity bargains total	—	18,559	22,436	26,846	21,538	20,632	10,272

10 a.m. 351.4. 11 a.m. 351.2. Noon 354.6. 1 p.m. 354.9. 2 p.m. 355.2. 3 p.m. 355.1.

Latest Index 01-246 8026. Excluding regional exchanges.

(a) Based on 52 per cent. corporation tax. (b) Nil=7.91.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E Activity July-Dec. 1942. * Corrected.

HIGHS AND LOWS

—	1975 High	1975 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	62.54 (20/5)	49.18 (3/1)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	62.51 (21/5)	50.65 (3/1)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	355.9 (20/5)	146.0 (6/1)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	442.3 (22/5)	280.2 (20/1)	442.3 (22/5/75)	43.5 (26/10/71)

S.E. ACTIVITY

—	May 23	May 22
Daily—		
Gilt-Edged	115.6	112.2
Industrials	236.3	282.3
Speculative	87.5	100.9
Totals	155.9	172.1
5-day Av'rge		
Gilt-Edged	117.9	118.4
Industrials	293.8	295.2
Speculative	86.4	84.1
Totals	178.6	177.7

FT—ACTUARIES INDICES

—	May 23	May 22	May 21	May 20	May 19	May 16	A year ago
Industrial Group	139.75	138.79	139.33	141.24	137.18	132.32	116.36
500 shares	151.59	150.27	150.85	152.81	148.74	143.87	125.48
Div. Yield pc	5.80	5.85	5.83	5.75	5.92	6.12	6.49
P/E Ratio (net)	7.36	7.29	7.31	7.47	7.28	7.05	7.58
All Share	149.95	148.87	149.91	152.07	148.02	143.45	122.54
Consols yield pc	15.11	15.15	15.53	15.09	15.20	15.18	13.96

AUTHORISED UNIT TRUSTS

[illegible]

[INSURANCE, PROPERTY, BONDS PRICES PAGE 25]

OFFSHORE AND OVERSEAS FUNDS

			Yield %
Albany Management Co. Ltd.			
P.O. Box 1349, Hamilton, Bermuda			
Albany Fd. Ltd.	[illegible]	5.56	—
Australian Selection Fund N.V.			
Lond. Agent, Pan Australian Int Mgt Ltd., 20, Red Lion Court, E.C.4.			
U.S.$10 shares	US$6.00		—
Next sub. day May 22.			
Banque de Bruxelles S.A.			
Fd. Fiducem B.F. 889	928	—2	5.60
Renta Fund LF	1,846	1,903 +7	6.96

			Yield %
Free World Fund Limited			
Butterfield Building, Hamilton, Bermuda			
NAV Apr 30	US$152.68		—
G.T. Bermuda Ltd.			
Bk of Bermuda Front St Hamiltn, Brmda			
Berry Pa Fd May 21	US$24.77		1.70
do. Pac Stlg May 21	120.72	127.86 —3.22	3.55
Berry Int Fd May 21	US$10.34	—0.10	1.05
GT Dir Fd. May 21	US$5.62	—0.18	1.90
Hill Samuel & Co. (Guernsey) Ltd.			
8, Lefevre St., St Peter Port, Guernsey, CI			
Guernsey Trust	115.5	121.2 +1.1	6.12

			Yield %
Murray Johnstone (Inv. Adviser)			
163 Hope St, Glasgow C.2 041 221 5521			
Hope Street Fund	US$21.00		—
Murray Fund	US$6.15		—
*NAV May 15. †NAV April 30.			
Negit S.A.			
10a, Boulevard Royal, Luxembourg.			
NAV May 16 1975	US$9.61		—
Negit Ltd.			
Bank of Bermuda Bldg., Hamilton, Brmda.			
NAV May 16 1975	5.91p		—

[illegible]

Board post at George Cohen 600 Group

Mr. Alan Walmsley has been appointed to the Board of the GEORGE COHEN 600 GROUP. Mr. Walmsley joined the group as controller of its engineering division in May 1974, and retains that position.

★

Mr. Ray Thompson has been elected president of the BRITISH CHAMBER OF COMMERCE FOR ITALY. He is chairman of Ray Thompson Associates S.r.l. of Milan and is also development adviser to the Milan Stock Exchange.

★

Mr. J. N. Cooper has been appointed a member of the COUNCIL OF FOREIGN BONDHOLDERS by the London Chamber of Commerce and Industry in place of the late Lord Kilmarnock.

★

Mr. N. J. Flower has succeeded Mr. G. A. Bloxam as president of the CHARTERED INSTITUTE OF PATENT AGENTS. Mr. J. M. Aubrey has been elected vice-president.

★

Mr. Howard S. Smith has been appointed group marketing director of ORIEL FOODS. He was previously marketing director of A. B. Gibson, a subsidiary of Oriel.

★

Mr. W. E. Yeomans has been appointed marketing director of SKF (U.K.). He was previously technical director. Dr. W. K. Bolton, previously technical manager, has been appointed chief technical executive and succeeds Mr. Yeomans.

★

Mr. D. J. Barham, Mr. R. A. Bell, Mr. J. J. Burton, Mr. K. D. Gillies, Mr. D. H. Newton, Mr. R. C. Pooley and Mr. R. J. G. Shaw have been appointed directors of C. E. HEATH AND CO. from June 1.

★

Mr. J. R. Rose and Mr. A. J. Clemo have been appointed directors of LOOKERS. Mr. Rose is managing director of Cox and Co. (Leeds), a subsidiary, and Mr. Clemo is a director of Lookers of Manchester, also a subsidiary.

★

Mr. I. B. Stone has resigned as a director of BAMBERGERS and as chief executive of its building materials division due to ill health.

★

Mr. Kenneth S. Clarke and Mr. Richard S. Howard have retired as directors of RECKITT AND COLMAN. Mr. Clarke joined the group in 1928 and was appointed a director in 1966. He relinquished full-time executive duties in May, 1973. Mr. Howard joined the group in 1930 and was appointed a director in April, 1966.

★

Mr. O. R. Jessel has resigned from the Boards of JOHNSON AND FIRTH BROWN and the London Australian and General Exploration Company.

★

Mr. V. A. Basov has been appointed deputy chairman of the Board of Directors of the MOSCOW NARODNY BANK, in succession to Mr. V. A. Drovossekov, who has retired from that post on his appointment as deputy chairman of the Bank for Foreign Trade of the USSR, Moscow.

★

Mr. Alan Vincent has been appointed chief engineer of JENSEN MOTORS to succeed Mr. Michael Jones who is leaving to take up a position as chassis engineer with Ford Motor Company's South African plant at Port Elizabeth. Mr. Vincent has been with Jensen Motors for two and a half years, formerly as chief body engineer.

★

Mr. Alan Richardson has been appointed managing director of LANDOR CARTONS, a division of Davidson Radcliffe, on the retirement of Mr. William Shaw.

★

Mr. Douglas Freeman of George Cohen Sons and Co. has been elected president of the BRITISH SCRAP FEDERATION, with Mr. Henry Brook of W. H. Arnott Young and Co. as president-designate.

★

Mr. D. V. Stanners has been appointed export sales director and Mr. J. P. Taylor, financial director, of RACAL INSTRUMENTS.

★

Mr. Michael J. Trusler has been appointed a director of SPERRINGS NEWSMARKETS (Sperrings Group).

★

Mr. F. W. Elford has become chairman of ROBERTS ADLARD AND CO., and Mr. G. W. Petts has been made managing director. Mr. J. H. Moore has been appointed deputy managing director.

★

Mr. M. T. Gilbert has been elected chairman, and Mr. E. V. Norgate vice-chairman, of the BRITISH ELECTRICAL SYSTEMS ASSOCIATION.

★

Mr. James Sanger has resigned as a director of HENDERSON ADMINISTRATION and Henderson Unit Trust Management and as managing director of Henderson Financial Management.

★

Mr. Edward Ellery, Mr. Geoffrey Kneen and Mr. Brian R. Melrose have been appointed directors of BLACKWOOD MORTON AND SONS, a subsidiary of Blackwood Morton and Sons (Holdings) from June 2.

★

Mr. Charles Colebourn has resigned as a director of the ENGLISH NATIONAL INVESTMENT COMPANY because of ill health.

★

Mr. Allan Earl, has been appointed regional general manager for the North East Region of BARCLAYS BANK from June 1. He succeeds Mr. Brian Dowling who has been seconded to Barclays Bank International for special duties. Mr. Peter Richardson will take Mr. Earl's post as local director, London North Western District.

★

Mr. J. C. Graden, director, general products for the Goodyear Tyre and Rubber Company in the U.K. since March 1972, is returning to parent company headquarters in Akron, Ohio, to become vice president, general products for the GOODYEAR INTERNATIONAL CORPORATION. He takes up his new appointment on July 1.

★

Mr. Paul van Cleef has been appointed a director of SCOTT AND ROBERTSON. He is chairman and managing director of van Cleef Hessian Co. BV, the group's subsidiary in the Netherlands.

★

Mr. A. H. Fraser has joined the Board of ANTHONY WIELER AND CO., as an alternate director to Mr. C. S. Waddy. Mr. Fraser represents Scottish American Investment Company. Mr. Brian Docherty has resigned as secretary of Anthony Wieler, and has been succeeded by Mr. N. Thakrar.

★

Mr. B. C. Feldman and Mr. S. F. Prescott have joined the Board of AYRTON METALS.

★

Mr. E. L. Hughes has been appointed a director of BAKER PERKINS. He joined the company in 1934.

★

Mr. Bryan K. Whalley has joined the Board of Biddle Sawyer and Company, and has been appointed managing director of Biddle Sawyer Foods. Both companies are subsidiaries of the GUINNESS PEAT GROUP.

★

Sir John Prideaux, chairman of National Westminster Bank, has been re-elected president of the INSTITUTE OF BANKERS. Mr. C. J. Montgomery, chief general manager of Lloyds Bank, becomes deputy chairman.

Lord Armstrong, chairman, Midland Bank, Lord Barber, chairman, Standard and Chartered Banking Group, and Mr. T. H. Bevan, deputy chairman, Barclays Bank, and chairman, Barclays Bank U.K. Management, have been elected vice-presidents of the Institute.

★

Mrs. Jennifer Jenkins, wife of the Home Secretary, has been appointed chairman of the HISTORIC BUILDINGS COUNCIL FOR ENGLAND, in succession to Lord Glendevon, who resigned on medical advice in March this year. Mrs. Jenkins is currently secretary of the Ancient Monuments Society and chairman of the Consumers' Association.

★

Mr. P. F. Sutton has been appointed a director of Allied Bakeries (Midlands). Mr. Sutton will continue as chief executive of Stantons Bakery, Hednesford, also part of the ALLIED BAKERIES GROUP.

TT-Line ferry still faces union blacking

FINANCIAL TIMES REPORTER

BRITISH AND FRENCH unions are still threatening to "black" the West German car ferry Mary Poppins, although the owner, TT-Line, has transferred her from a "flag of convenience" to the West German flag.

The ship is due to sail on her maiden voyage from Southampton to St. Malo next Wednesday, TT-Line said last night. But the unions had threatened that if the vessel attempted to sail "the ports of Southampton, Weymouth and St. Helier and all Cross-Channel services would be closed down."

The unions, it is reported, object to the new service because it will "cream off" the summer trade and then disappear like a "fly by night operator." A meeting in Southampton yesterday was attended by representatives of dockers and seamen on both sides of the Channel.

The company says that at a meeting on Monday with the British unions—including the Transport and General Workers' and the National Union of Seamen—the workers' representatives had said they did not want a "third-flag" carrier on the Channel ferry route and wished to see it preserved for U.K. and French ferries.

A meeting is to be held in France to-day by the British, French and German unions involved.

"We are still determined to go ahead with our maiden sailing from Southampton on May 28," says TT-Line, which has advance bookings for over 20,000 passengers and 5,000 cars during its proposed 4½-month season this year.

Union-Castle liner sold to Japan for scrap

BY JAMES McDONALD, SHIPPING CORRESPONDENT

UNION-CASTLE LINE's remaining cruise ship—the 20,747 gross tons Reina del Mar—which was withdrawn from service on April 1, has been sold for scrap to the Japanese Mitsui Company. She will sail on May 28 from Southampton to a shipbreakers' yard in Taiwan.

The value of the sale by Union-Castle—a member of the British and Commonwealth Shipping group—is understood to be between £500,000 and £600,000 for the 19-year-old liner.

Reina del Mar's British crew have all been offered a chance to serve in other ships of the British and Commonwealth fleet. "While many accepted the company's offer, others left to take up other employment ashore and afloat," said Union-Castle last night.

Many of those staying with the company have joined passenger ships on the South African mail service, and Union-Castle has created a new position of cruise purser (tourist) on board its 36,000-ton flagship, the Windsor Castle.

Cheap flights to Ghana approved by CAA

JETSAVE, the U.K. low-fare tour-organiser, has been given approval by the Civil Aviation Authority to start cheap advance booking charter (ABC) flights to Ghana which will also offer big savings to other destinations.

The Jetsave (ABC) fare to Accra starts at £125 return, compared with the scheduled economy fare of £402, giving a saving of £277. With same-day connections to other major points in West Africa, it will thus be possible to fly to Lagos for £162 return (a saving of £240), to Abidjan for £163 return (a saving of £239), to Douala for £233 return (a saving of £226) and to Monrovia for £209 return (a saving of £180).

The Jetsave Africa bookings must be made 60 days prior to date of travel, and passengers must stay away for a minimum of 10 days in winter and 14 days in summer. Flights will be made by 189-seat Dan-Air Boeing 707 jets from Gatwick. Initially, the CAA has authorised 12 return flights.

Jetsave, which is one of the biggest ABC low-fare tour-organisers on the North Atlantic route, is also pressing the CAA to approve similar low-cost ABC fares to East Africa, starting at £150 return to Nairobi, saving £311 on the scheduled economy fare.

In conjunction with International Aviation Services and Dan-Air, Jetsave plans to start weekly flights in August, subject to the CAA's approval.

This week's SE dealings

Friday, May 23 .... 6,849 | Wednesday, May 21 .... 9,034 | Monday, May 19 6,981
Thursday, May 22 .... 7,561 | Tuesday, May 20 .... 8,818 | Friday, May 16 6,652

The list below records all yesterday's markings and also the latest markings during the week of any share not dealt in yesterday. The latter can be distinguished by the date (in parentheses).

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in new pence and fractions of new pence.

The list below gives the prices at which bargains done by members of The Stock Exchange have been recorded in The Stock Exchange Daily Official List. Members are not obliged to mark bargains, except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business has been done. Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

‡Bargains at Special Prices. Δ Bargains done with or between non-members. ⊕ Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ✤ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS, ETC. (587)

2½pc Anns. 16 (20/5)
2¾pc Anns. 17½⊕ (22/5)
3pc British Transport Stk. 41½⊕ ...
4pc British Transport Stk. 67⊕ ...
2½pc Cons. Stk. 17⅛⊕ 16¾⊕ ...
4pc Cons. Ln. 27¼⊕ ...
3½pc Conversion Ln. 24¼⊕ ...
5pc Exchequer Ln. 85½⊕ ...
5½pc Exchequer Stk. 97⅞⊕ ...
5¾pc Funding Ln. 79¾⊕ ...
5¼pc Funding Ln. 50¼⊕ ...
6pc Funding Ln. 48½⊕ ...
6½pc Funding Ln. 66½⊕ ...
[illegible]

Hammersmith Corp. 9¼pcRed. 87 (20/5)
Hampshire Co. Council 9¼pcRed. 86¼ (20/5)
Hertfordshire Co. Council 5¼pcRed. 71 (20/5). 5½pcRed. 58¼⊕. 6¼pc 58¼ (20/5)
Huddersfield Corp. 5¼pcRed. 92
Hull Corp. 3½pcRed. 98½⊕. 5¾pcRed. 81¼ (19/5)
Huntingdon Peterboro Co. 9¼pc 82¼ (20/5)
Islington Corp. 9¼pcRed. 89⅛
Kent Co. 5½pcRed. 80½⊕. 6¼pc ... 9¼pc 84⊕ (22/5)
Lanarks. CC 6pcRd. 72¼ (20/5)
Liverpool Corp. 5½pcRd. 85⊕ 7. 5½pcRd. 1971-75 98¾. 5¾pcRd. 79¼ (19/5). 7pcRd. 88½⊕ ... 9¼pcRd. 85¼⊕ ... (22/5)
[illegible]

Notes 30 (22/5). Imp. Chin. Rys. 5pc Stg. 30 (22/5)
Chinese Imp. Chin. Lung-Tsing-U-Hai 5pc Rly.Ln. 30 (22/5)
German Intnl. 5½pcStg. Bds. 1930. Monopoly 4pc 1887 Stg.Fdg.Bds. 1965 $US34.5 (19/5). 4pc Rlys. Ln. 1902 Stg. Fdg.Bds. 1965 34.5 (19/5). 4pcLn. 1910 Stg.Fdg.Bds. 1965 $US34.5 (19/5). 5pc Ln. 1914 40 (22/5)
Ireland (Rep.) 4¼pcNat.Ln. 73⊕. 9¼pc 65⊕
Japan 4pcStg.Ln. (Ext.) 146⊕ (22/5). 6pc Stg.Ln. 58½⊕
Roumania 4pcCons.Ln. 1922 12⊕ ... (22/5). Monopolies Inst. 7pc 9.
Russian 5pc 1822 £3½⊕ (22/5). 5pcLn. 1906 £20 (22/5)
Spanish 4pc (Sealed Bds.) 55½⊕ (22/5)
Uruguay 3½pcBds. 70⊕ 69⊕ (22/5)
[illegible]

CORPN. STOCKS—FOREIGN

U.K. AND COMMONWEALTH RAILWAYS (2)

FOREIGN RAILWAYS

BANKS & DISCOUNT COS.

SHORT DATED BONDS FREE OF STAMP DUTY

PUBLIC BDS., ETC.—U.K. FREE OF STAMP DUTY

SUBJECT TO STAMP DUTY

CORPN. & COUNTY—U.K. FREE OF STAMP DUTY

COMMONWEALTH GOVT. AND PROVINCIAL SECURITIES

COMMONWEALTH CORPN. STOCKS

FOREIGN STKS., BDS., ETC. (6) COUPONS PAYABLE IN LONDON

[illegible]

COMMODITIES/Review of the week

Lead market collapses

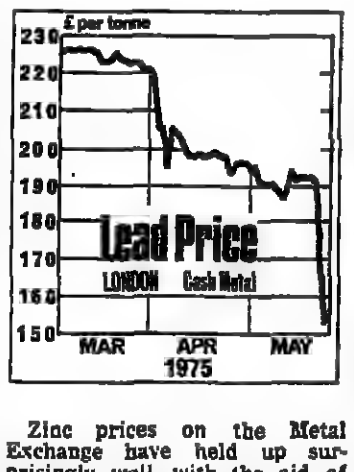
BY OUR COMMODITIES STAFF

LEAD PRICES collapsed again on the London Metal Exchange yesterday to the lowest levels for over two years. Cash lead lost a further £21.75 to £153.5 a tonne, £38.5 down on a week ago, and significantly moved to a slight discount below the three months quotation which fell by £12.75 to £164.5, down £28.75 on the week.

The collapse in prices was attributed to the removal, at least temporarily, of the support buying, believed to be on behalf of producers, that has been an influential feature in the market ever since it came under pressure last year.

Faced with the prospect of another big inflow of surplus supplies in the next few weeks—although warehouse stocks may decline this week—and a continued absence of consumer demand, the producers appear to have decided to let the market find its own level.

There are reports of disagreement among the producers themselves on the support buying policy, since some prominent producing interests have been heavy sellers recently. But some dealers believe the producers might want to remove the surplus building up at the lower price levels and then force values up again.



Zinc prices on the Metal Exchange have held up surprisingly well, with the aid of producer support buying. Consumer demand for zinc remains poor, but there is not the same problem with surplus supplies from the scrap market as with lead.

Copper prices ended the week slightly higher, despite another substantial rise in warehouse stocks to a new all-time peak and forecasts of a further big increase. The market eased yesterday with cash wirebars closing £4.25 down at £548.5 a tonne, but £4.25 up on the week as a result mainly of speculative buying interest.

Tin prices moved higher in London, despite declining in Penang, with expectations of a fall in warehouse stocks. But the market was basically awaiting the outcome of the International Tin Council meeting yesterday at which the reasons for the suspension of the buffer stock manager and his deputy were being discussed.

The cocoa market experienced a week of two distinct halves. Though Monday morning saw a sharp rise in prices this was eliminated by a decline that continued for the next two days, wiping over £25 a tonne off the London terminal market July position.

The upturn in the market came on Thursday morning and accelerated in the afternoon following reports that producers meeting in Abidjan, Ivory Coast, prior to International Cocoa Agreement talks here, had formulated "immediate measures" to counter the decline in coffee prices. The effects of this announcement were still being felt yesterday when the July price climbed to £494 a tonne before a downward reaction trimmed this to £482.75, down £10.5 on the week.

WEEKLY PRICE CHANGES

	Latest price per ton unless stated	Ch'ge on week	Year ago	1975 High	1975 Low
Metals					
Aluminium	[illegible]				
Free Market	[illegible]				
Antimony	[illegible]				
Copper					
Cash Wire Bars	[illegible]				
3 months	[illegible]				
Cash Cathodes	[illegible]				
3 months	[illegible]				
Gold per oz.	[illegible]				
Lead Cash	[illegible]				
3 months	[illegible]				
Nickel	[illegible]				
Free Market	[illegible]				
Platinum	[illegible]				
Free Market	[illegible]				
Quicksilver	[illegible]				
Silver per oz.	[illegible]				
3 months	[illegible]				
Tin Cash	[illegible]				
3 months	[illegible]				
Wolfram	[illegible]				
Zinc Cash	[illegible]				
3 months	[illegible]				
Producers	[illegible]				
Grains					
Barley	[illegible]				
Home Futures	[illegible]				
Maize	[illegible]				
Wheat	[illegible]				

	Latest price per ton unless stated	Ch'ge on week	Year ago	1975 High	1975 Low
Spices					
Pepper, White	[illegible]				
Black	[illegible]				
Oils					
Coconut	[illegible]				
Linseed, Crude	[illegible]				
Palm Malayan	[illegible]				
Soyabean	[illegible]				
Seeds					
Copra Philippines	[illegible]				
Groundnut	[illegible]				
Linseed, Can. No. 1	[illegible]				
Soyabean	[illegible]				
Other Commodities					
Cocoa Shipment	[illegible]				
Future	[illegible]				
Coffee Future	[illegible]				
Cotton Index	[illegible]				
Jute	[illegible]				
Rubber kilo	[illegible]				
Sisal	[illegible]				
Sugar (Raw)	[illegible]				
Wool Tops 64s Warp	[illegible]				

[illegible]

MARKET REPORTS

BASE METALS

LEAD—Slumped afresh in morning on the London Metal Exchange. Prices continued Thursday's decline with the market again lacking any producer support although when cash metal touched £149 ... [illegible]

SILVER

[illegible]

COCOA

[illegible]

COFFEE

[illegible]

GRAINS

[illegible]

FREIGHTS

[illegible] Rotterdam at $4.40 f.i.o. for June and River Plate to East Coast Mexico at $14.50 f.i.o. June. A maize cargo was booked South Africa Glasgow at $3.35 free discharge June. In the coal section a cargo was covered Lourenco Marques U.S. Gulf at $7 f.i.o. June. Timecharterers fixed a vessel of 32,390 long d.w.t. for two to four months trading at 90 cents, delivery continent prompt; and a vessel of 22,730 long d.w.t. for Recalada Antwerp/Hamburg range or Poland, via Brazil, at $2,725 daily June. [illegible]

RUBBER

[illegible]

WOOL FUTURES

[illegible]

MEAT/VEGETABLES

[illegible]

SUGAR

[illegible]

JUTE

[illegible]

FINANCIAL TIMES

REUTER'S

DOW JONES

MOODY'S

[illegible]

U.S. Markets

Heavy trade selling hits cocoa

NEW YORK, May 23.

EVENING positions prior to the long week-end provided the major interest in most markets, Bache reports. Copper finished unchanged as silver improved slightly on steady gold prices. Cocoa and sugar encountered heavy trade selling on a sharply higher opening but prices traded lower thereafter as consumption continues to lag. All grains ended the session lower as reports circulated of ideal growing conditions and expectations of record crops if weather is normal.

Cocoa—Ghana spot 64½ (63¾ nom.). Bahia spot 57½ (54¼ nom.). July 50.00 (48.50), Sept. 49.15 (47.90), Dec. 48.25, March 48.50, May 48.70, July 49.00, Sept. nil. Sales: 1,582.

Coffee—Spot Santos No. 4 unquoted (same). Colombian Mams unquoted (same). "C" Contract: July 54.60-54.75 (54.30), Sept. 56.30-56.40 (56.14), Nov. 57.10, Dec. 57.80-57.90, March 58.15-58.20 asked, May 58.50-58.90 asked. Sales: 353.

Copper—May 56.30 (56.20), June 56.30 (56.20), July 56.80, Sept. 57.80, Dec. 59.50, Jan. 60.00, March 61.00, May 61.90. Sales: 641.

Cotton—July 50.00 (45.62), Oct. 46.90 (46.73), Dec. 46.90-47.05, March 47.80-49.00 asked, May 48.40-48.55 asked, July 49.10-49.20 asked, Oct. 49.50 bid. Sales: 1,000.

⊕Gold—May 174.40 (172.00), June 174.70 (172.50), July 175.50, Aug. 176.90, Oct. 179.20, Dec. 181.50, Feb. 183.80, April 186.20, June 188.60, Aug. 191.00. Sales: 1,059.

Greasewool—Spot 134.0 nom. (same). July 133.0-135.5 asked (133.0), Oct. 136.1-139.0 asked (136.0), Dec. 138.0-142.5 asked, March 140.0-142.5 asked, May 141.0-145.0 asked, July 141.0-145.0 asked. Oct. 141.0 bid.

†Lard—Chicago loose 27½ asked (27¾ bid) NY drummed 33¼ nom. (33¼ nom.).

††Maize—July 274-274½ (276), Sept. 261¼-262½ (264), Dec. 248½-248¼, March 253½-254, May 257½.

‡Platinum—July 149.90 (152.00), Oct. 153.00 (155.30), Jan. 156.20, April 160.00, July 162.50, Oct. 165.40-165.60 asked. Sales: 634.

‡‡Silver—Spot 468.50 (476.00), May 471.20 (469.20), June 471.30 (469.30), July 474.50, Sept. 481.10, Dec. 491.00, Jan. 494.00, March 500.50, May 506.90, July 513.20, Sept. 519.40. Sales: 6,443.

*Soyabeans—July 520½-518 (529½), Aug. 516½-517 (522½), Sept. 511-512, Nov. 511-512, Jan. 517-518, March 524-526 ... [illegible]

حكمة اهتز الأجل

BREWERIES & DISTILLERS

CANALS & DOCKS

COMMERCIAL INDUSTL.

A—B

C—D

E—F

G—H

Caledonian Investment (25p) 165 70
Common Bros. (50p) 90◆ 90
Furness, Withy 213◆ 160 170 16 15. 5pcPf. 340◆
Hall Bros. Steamship 90 (19/5). A 70 (19/5). 5pcPf. 60 (19/5)
Hunting Gibson 137◆ (22/5). 6pcPf. 23 (16/5)
Jacobs (John I.) (20p) 20½◆ 1½◆ 20 3 ½ ¼ 4¼
London and Overseas Freighters (25p) 39½ 40
Lyle Shipping (25p) 220. A (25p) 120
Ocean Transport and Trading (25p) 110½◆ 117½◆ 120 17½
Peninsular and Oriental Steam Navigation 5pcPf. 35. Dfd. 104½◆ 16◆ 15 ½ 17 16. 3½pc2ndDb. 16 (19/5). 5¼pcDb. 66¼ (16/5)
Reardon Smith Line (50p) 430◆. A (50p) 225◆
Runciman (Walter) (25p) 110◆ 12
Sheaf Steam Shipping (50p) 152◆ 60 (22/5)
Turnbull Scott Shipping A 330 (20/5)

TEA & COFFEE (11)

Assam 6pcPf. 29½◆
[illegible]
Camellia (10p) 390 (22/5)
Clairmace (10p) 45◆
Cranby House Grp. 88◆ ½◆ (22/5)
Deundi Hldgs. 23◆
Empire Plantations Inv. (10p) 9½ (19/5)
Longbourne Hldgs. 65◆ 5◆. 6pcPf. 25 (19/5)
Lunuva (Ceylon) Tea Rubber 46 (20/5)
McLeod Russel 751◆ (22/5). 7pcUns.Ln. 35½◆ (22/5)
Malsh Tea 55◆
Makum (Assam) (50p) 55◆
Singlo Hldgs. (10p) 9
Surmah Valley Tea (25p) 17◆
Teith Hldgs. 248◆ (22/5)
Telbedde Ceylon Inv. (25p) 20◆

TRAMWAYS & OMNIBUS (—)

Barton Transport (160p) 58 (20/5)

WATERWORKS (18)

Bournemouth Dist. Wtr. 3.5pcCons. 20½◆
Bristol Wtr. 4.5pcCons. 37 8½ (20/5). 4.025pcPf. 49◆ 8½. 10pcPf. 106 5½ (19/5)
Cambridge Wtr. 3.5pcCons. 29 (20/5)
Colne Valley Wtr.9pcPf. (f.p.) 100½ (20/5). Db. (£10 pd.) 11¼◆ ½◆ ½ ¼
East Surrey Wtr. 3.5pcPf. 27◆. 4pcDb. 20◆. 7pcDb. 1990-92 48 (20/5). 10pc Db. 1997-99 85 (20/5)
E. Worcester Water. 3.85Pf. 32 (20/5). 3pcDb. 24½◆
Essex Water 4.025pcPf. 1985-88 48½◆. 4.2pcPf. 54◆. 10pcPf. 98½◆ 9◆
Folkestone Dist. Water 4.9pc (1953 iss.) (£10) 365◆. 4.55pcPf. 54 (19/5)
Lee Valley Water 5.95 59½ (20/5)
Mid-Southern 3.5pcCons. 28 (20/5). 3.5pc Pf. 58◆
Mid-Sussex 4.9pc 39◆. 15pcDb. 101◆ (22/5)
Newcastle Gateshead 4.025pcPf. 55◆. North Surrey 4pcDb. 19½◆. 5pcDb. 23½◆. 6½pcDb. 24◆
Portsmouth 4.025pcPf. 50◆. 3pcPerp.Db. 14½◆
Sth. Staffordshire 4.9pc 37 (20/5). 4.2pc Pf. 51◆. 9½pcDb. 61◆ ½◆
Sunderland S. Shields Wtr. 3.85pc (fmly. 5½pc) Pf. 56◆. 4.55pc (fmly. 6½pc) Pf. 57
Sutton Dist. Water 4.9pc (fmly. 7pc) 39½◆
Wrexham East Denbighshire Water 4.9pc (fmly. 7pc) 39◆
York Water 3.5pc (fmly. 5pc) 29 (20/5)

SPECIAL LIST

MAY 23 (Nil)

MAY 22 (2)

Trans Oceanic Trust 5pc1stDb. 1966-79 £73½◆

MAY 21 (2)

Sumner (Francis) Eng. 5½pcPf. 29◆

MAY 20 (Nil)

MAY 19 (Nil)

RULE 163 (1) (e)

Bargains marked under Rule 163 (1) (e) in securities for which quotation has not been granted and which are not recorded in the Official List.

MAY 23

Algoma Central Railway £11½
Allstate Exploration 5◆
[illegible]
Bow Valley Industries £11¼◆
BP Canada 910 20
Canadian Pacific Invests. £12⅝
Ciba Geigy 7¼pcCnv. £86½◆. 6pcCnv. £117½◆
Cominco $C31¼
Consd. Canadian Faraday 96
Cork Invests. 16◆
Disney (Walt) Productions $US32◆
EZ Inds. 215◆ 29. New 80 4
Jardine Matheson 457◆ 50◆ 2◆ 3 80
Jardine Secs. 130◆ 5◆
Ocean Resources 10◆
Oil Search 42 1½
Pacific Copper 19
Pancontinental Mining 405◆
Roebourne Exploration 15◆
Selcast Exploration 26◆
Southern Pacific Props. 18½◆
Standard Oil of Indiana 635¼◆
Swire Inds. A 235◆
Juess Hldgs. 252
Thomas Nationwide Transport. New 45◆
Wheelock Marden A 57◆ 5½
Wheelock Maritime A 42. 3 4

MAY 22

Acmex Hldgs. 15 18
Australian Developments 20◆
Australian Oils and Gas 9½
Comalco New 22
Conwest Exploration 195
Enstead 66½ 7
Exxon Con. $62¼◆ ¼
Honda Motor (E. D. R.) 910◆
Hong Kong Dock New 200
Hong Kong Land 111½ 10½
Hutchison Intnl. 46◆ 3
IAC Hldgs. 93
Metal Ex. 44◆
Nedbank Sylvrets 175¼ 6◆
Niagara Share Con. $US12¾◆
Oakbridge Secs. 65½ 6
Pan Ocean Oil 920
Peko Wallsend 395
Petrofina $213¼◆
Poseidon 455◆ 5
Power Con. of Canada 862◆
Pye Inds. (Australia) 147◆
Rembrandt Group 164◆ 50 ½◆
South Africa 8½pc 1997 178½
Stellenbosch Wines 335
Stocks and Holdings 250◆
TriContinental $US18¾◆
Whim Creek 44◆
Woodside Burmah 64◆

MAY 21

Anglo Alpha Cement 81½
Bounty Inv. 90
Cathay Secs. 32½◆
Coles (G. J.) 117◆
Consd. African Mines 96½◆
Dresdner Bank DM235◆
Haw Par Bros. 78◆
Indonesian Consd. 13½◆ 14◆
International Bank for Reconstruction and Development 7¾pc £76¼◆ ⅜◆
International Combustion (Australia) 115◆
International Oil 31

REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the share prices previously shown under regional headings is presented below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

Albany Inv (20p)	19	......	Gardiner Sons	21	......	Sheff. Refrshmt	150	......
Ash Spinning	37	......	Gardner (L.)	61	......	Shiloh Spinn.	35	......
Bertam	16	......	Graig Ship (£1)	460	......	Sindall (Wm.)	45	......
Brady (G.) "A"	55	—1	Hallam Sl.(10p)	9	......	Vincent(H.)	65	......
Br'wtrEst. (50p)	140	......	Higsons Brew	67	......	**IRISH**		
Clover Croft	35	......	Holt Joseph25p	180	......	Alliance Gas £1	56	+1
Craig & Rose £1	315	......	IOM Steam £1	110	......	Carroll (P.J.)	115	......
Dundee Crm £1	180	......	Kleen-E-Ze	30	......	Clondalkin	65	+5
Dundee Ice £1	[illegible]	......	Lovell's Ship £1	150	......	ConcreteProds.	70	......
Dyson (R. A.)	50	+1	NthnGoldsm'th	70	......	Goodbody (£1)	58	......
Ellis & McHdy	57	......	*PMA*	35	......	*Helton (Hldgs)*	35	......
Evans Frdk(10p)	61	......	Pearce C.H.	60	......	Irish Distillers	71	......
Evered	12	......	Peel Mills	18	......	Irish Wire Bd.	40	......
Fife Forge	48	......	Richards (10p)	10	......	Jacob	55xd	......
Finlay Pkg (5p)	16	......	Robb Cal. (5p)	54	......	Sunbeam	15	......
Fr'st & Reed(50p)	[illegible]	......	Sayers Con 12½p	9	......	Unidare	70	+2

ACTIVE STOCKS

YESTERDAY—

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1975 high	1975 low
BP	£1	11	472	+15	475	190
European Ferries	25p	11	68½	+4½	68½	25
ICI	£1	11	284	+3	285	118
Cons. Gold Fields	25p	10	286	—4	290	188
EMI	50p	10	197	+8	197	62
I C Gas	£1	10	370	+10	395	124
GEC	25p	9	127	+3	131	51
Shell Transport	25p	9	333	+2	341	118
Ladbroke	10p	8	173	+2	176	56
Lonrho	25p	8	159	+1	159	68
Reed Intl.	£1	8	276	+6	297	124
Unilever	25p	8	397	+3	402	170
Beecham	25p	7	303	+5	306	116
Bowater	£1	7	163	+7	169	50
Bats	25p	7	325	+2	337	164

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e) and reproduced to-day in Stock Exchange dealings.

ON THE WEEK—

Stock	Denomination	No. of marks	Closing price(p)	Change on week	1975 high	1975 low
ICI	£1	131	284	+23	285	118
BP	£1	72	472	+24	475	190
BATS	25p	70	325	+11	337	164
Shell Transport	25p	69	333	+8	341	118
EMI	50p	67	197	+14	197	62
Barclays Bank	£1	66	292	+17	300	112
Marks & Spencer	25p	63	235	+4	256	95
Cons. Gold Fields	25p	59	286	+7	290	188
Boots	25p	56	265	+2	276	91
GEC	25p	55	127	+12	131	51
RTZ	25p	53	198	—7	211	80
Lonrho	25p	52	159	+9	159	68
Midland Bank	£1	52	260	+6	305	122
Distillers	50p	51	141½	+5½	145½	65½
GKN 'New'	Fly./pd.	48	251	+12	263	220

BUILDING SOCIETY RATES

	Dep.	Share Accnts.	Sub'pn Shares	Variable Term Shares
Abbey National ■	6.75%	7.00%	8.25%	●8.25%
Alliance ■	6.75%	7.00%	8.25%	‡‡7.75%
Anglia ■	6.75%	7.00%	8.25%	¶7.75%
Birmingham Incorporated ■	6.75%	7.00%	8.25%	—
Bradford and Bingley ■	6.75%	7.00%	§8.25%	—
Bristol and West ■	6.75%	7.00%	8.00%	—
Chelsea ■	6.75%	7.00%	9.00%	†7.25%
Cheltenham and Gloucester ■	6.75%	7.00%	—	—
Cheshire and Northwich ■	6.75%	7.00%	8.25%	—
Citizens Regency	7.25%	7.70%	8.75%	—
City of London ■	7.00%	8.00%	8.50%	—
City and Metropolitan ■	6.75%	7.25%	7.50%	¶8.00%
Coventry Economic ■	6.75%	7.00%	8.75%	§§7.75%
Gateway ■	6.75%	7.00%	8.25%	¶7.75%
Greenwich	—	7.60%	8.50%	—
Halifax ■	6.75%	7.00%	8.00%	¶8.00%
Hastings and Thanet ■	6.75%	7.00%	8.25%	—
Hearts of Oak and Enfield ■	6.75%	7.25%	8.50%	—
Hendon	7.35%	7.77%	—	*8.05%
Huddersfield and Bradford ■	6.75%	7.00%	8.50%	♡7.75%
Leamington Spa	6.87%	7.12%	9.50%	7.50%
Leeds and Holbeck ■	6.75%	7.00%	8.00%	—
Leeds Permanent	7.25%	7.50%	8.75%	—
Leek Westbourne and ECBS	7.25%	7.50%	8.75%	¶¶8.50%
Leicester ■	6.75%	7.00%	8.25%	††7.75%
Magnet	7.25%	7.50%	8.75%	8.75%
Mornington Permanent ■	7.15%	7.65%	—	—
National Counties	7.50%	7.75%	—	—
Nationwide ■	6.75%	7.00%	7.50%	●8.25%
Newcastle Permanent ■	6.75%	**7.00%	7.75%	8.00%
Northern Rock ■	6.75%	7.00%	8.00%	‡7.75%
North London	7.75%	8.25%	—	⬘9.15%
Norwich ■	6.75%	7.00%	8.25%	—
Paisley ■	7.25%	7.00%	8.00%	‖‖8.50%
Portman ■	6.75%	7.00%	8.50%	◇8.25%
Property Owners ■	6.75%	7.50%	8.50%	†7.85%
Provincial ■	6.75%	7.00%	8.25%	7.75%
Skipton	7.25%	7.50%	8.75%	—
Steyning and Sussex	7.25%	7.50%	9.00%	‡‡8.50%
Woolwich Equitable ■	6.75%	7.00%	8.25%	◇8.00%

■ Rates effective as from June 1, 1975.

* Minimum £2,000 6 mths. notice. † 3 mths. ‡ 2 yrs. § 3 yrs. including bonus. ¶ Min. £500 2 yrs. fixed. ‖ 4th issue 2 yrs. ● 2 yrs. over £3,250. ** 7.50% over £3,000. †† 2-3 yrs. ‡‡ 2 yrs. §§ 7.50% 3 mths. notice after 9 mths. ¶¶ 2 yrs. £1,000 min. ‖‖ 2 yrs. £2,000 min. △ 2 yrs. £3,000 min. ♡ Min. £100 2 yrs. fixed. ◇ Existing accounts. ⬘ 3 yrs. over £5,000.

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MONEY + EXCHANGES

Moderate assistance

Bank of England Minimum Lending Rate 10%
(Since May 2, 1975)

Day-to-day credit was in short supply in the London money market yesterday, with settlement for official gilt-edged stock sales continuing to rank among factors carrying money out of the market.

The Bank of England Minimum Lending Rate was left at the previous 10 per cent., with the average rate of discount on Treasury bills at the weekly tender rising 0.0018 per cent. to 9.4765 per cent. The minimum-accepted bid was unchanged, at £97.63½ (equivalent to an annual discount rate of 9.4860 per cent.). Applications rose £185.3m. to £499.4m., with the amount of bills on offer increased £90m. to £240m. Bids at the minimum-accepted were met as to about 34 per cent., against 32 per cent. the previous week. All bills offered were allotted, while next week the relatively high amount of £300m. bills will be on tender.

Rates in the table below are nominal in some cases.

May 23 1975	Sterling Certificates of deposits	Inter-bank	Local Authority deposit*	Local Auth. negotiable bonds	Finance house deposit	Company deposits	Discount market deposits	Treasury bills ⊕	Bank bills ⊕	Fine trade bills ⊕
Overnight	—	8¾-9½	9½	—	—	9-10¼	8-9½	—	—	—
2 days notice	—	—	9⅜-9½	—	—	—	—	—	—	—
†7 days or 7 days notice	—	9½-9½	9½-9¾	—	10	—	8¾-9¾	—	—	—
One month	9⅝-9½	9½-9⅝	9⅝-9¾	10¼-9⅞	10½-10¾	—	8¾-9½	9⅛-9⅜	9⅝-9¾	10⅝-12
Two months	9⅞-9⅞	9⅝-9⅞	—	10-9½	—	—	9¼	9⅜-9½	9¾-9⅞	10½-12
Three months	10⅛-9⅞	9⅞-10⅛	10-10¼	10⅛-9⅞	10½-11¼	—	9⅜-9½	9⅞-9⅞	9⅞	10¾-12
Six months	10⅜-10⅝	10⅝-10⅞	10⅝-10⅝	10½-10	—	—	—	—	10½	11-12
Nine months	10⅞-10⅞	10⅞-11⅛	—	11⅛-10⅞	—	—	—	—	—	—
One year	11⅛-11½	11¼-11⅝	12⅜-12½	12-11¼	—	—	—	—	—	—
Two years	—	—	13½-13½	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice; others seven days' fixed. *Long-term local authority mortgage rate nominally three years 13½-13¾ per cent.; four years 13¾-14¼ per cent.; five years 14-14¼ per cent. ⊕ Bank bill rate in table is buying rate for prime paper. Buying rate for four-month bank bills 10¼ per cent.; and four-month trade bills 11-12 per cent. Approximate selling rate for one-month Treasury bills 9$\frac{5}{32}$-9¼ per cent.; two-month 9$\frac{9}{32}$-9¼ per cent.; three-month 9$\frac{5}{16}$-9$\frac{13}{32}$ per cent. Approximate selling rate for one-month bank bills 9⅝ per cent.; for two-months 9⅝-9⅞ per cent. and three month 9⅞ per cent.; for one-month trade bills 10-10½ per cent.; two-month 10-11 per cent.; and three-month 10-11 per cent.

Finance House Base Rate (published by the Finance Houses Association): 10½ per cent. from May 1. Clearing Bank Deposit Rates for small sums at seven days' notice: 6½ per cent. Clearing Bank Base Rates for lending 9½ per cent. Treasury Bills: Average tender rate of discount 9.4765 per cent.

EXCHANGES AND BULLION

Sterling was unchanged on balance against major currencies in general in the foreign exchange market yesterday, on the basis of the Bank of England calculation of its trade-weighted average depreciation against ten leading units since the Washington Currency Agreement of December, 1971, which ended at the previous 24.6 per cent., and also stood at 24.6 per cent. in early dealings and at noon. Business was moderately active. The pound fell 20 points on the day in terms of the U.S. dollar, to $2.3255-$2.3265 — opening at $2.3260-$2.3270, falling in the morning to $2.3215-$2.3225, in reflection of a broad demand for dollars, and recovering to $2.3260-$2.3270 at one stage in the afternoon. The dollar's trade-weighted average fall against 14 units since the Washington Agreement (as calculated on noon rates in New York by Morgan Guaranty) was 7.17 per cent., against the previous 7.02 per cent.

In the generally quiet conditions, there seemed to be little central bank intervention, following the previous day's appreciable official purchases of dollars (on the part of various authorities).

Gold fell back $1½ an ounce on balance in London, to $172½-173½, in moderate business, opening at $171½-172½, and touching $174-175 between the fixings. The Krugerrand ended in places at a premium of 21½ per cent. over its gold content in domestic business, against 21⅞ per cent. overnight, and at 3$\frac{7}{16}$ per cent. in international, against 3½ per cent.

EXCHANGE CROSS-RATES

May 23	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
Frankf't	—	2.335-336	16 30 60	8 71-74	0.416-440	97 15 30	95.95-4.0
N. York	42.98-3.05	—	26 12-13	2.281-323	2.3256-65	41 67-70	40 38 41
Paris	171.10 50	3 996 4.005	—	11 505-530	9 222 506	166.15-85	160 75 1.15
Brussels	14.85-91	34.76 81	8.67 72	—	80.76 97	14.45 50	13.87 14.02
London	5.41¼ 42¾	2.3255 65	9.28 27	80.85 1.05	—	5.67½-84	5.77 78
Am'dam	102.79 84	2.3993-4023	60 08 14	6.918-923	5.583 588	—	96.575-725

EURO-CURRENCY INTEREST RATES*

FOREIGN EXCHANGES

FORWARD RATES

NEW "HIGHS" AND "LOWS" FOR 1975

GOLD MARKET

INSURANCE, PROPERTY, BONDS

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and The Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section.

	Equity groups	Fri. May 23 Index No.	Day's Change %	Est. Earnings Yield % (Max. Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Thurs. May 22 Index No.	Wed. May 21 Index No.	Tuesday May 20 Index No.	Monday May 19 Index No.	Year ago (approx) Index No.	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (181)	126.94	+0.4	18.71	6.55	7.67	7.86	126.44	127.55	129.41	125.30	106.65	129.41 (20/5)	51.78 (6/1)	206.37 (4/5/72)	50.71 (13/12/74)
2	Building Materials (30)	110.08	+0.3	20.06	7.08	7.60	7.60	109.75	110.93	112.28	108.64	106.12	117.40 (22/4)	45.11 (6/1)	233.84 (2/6/72)	44.27 (11/12/74)
3	Contracting, Construction (23)	240.91	−0.6	17.03	3.94	8.66	8.65	242.33	246.74	250.84	240.96	173.48	251.61 (23/5)	74.74 (6/1)	389.33 (19/5/72)	71.48 (12/12/74)
4	Electricals (16)	223.54	+1.1	16.75	5.27	8.61	8.59	221.12	223.36	229.60	222.19	202.62	229.60 (20/5)	98.49 (2/1)	350.04 (4/5/72)	84.71 (25/6/62)
5	Engineering (Heavy) (13)	156.97	+0.7	22.02	6.88	6.84	6.84	155.85	155.01	156.33	151.16	110.87	159.79 (22/4)	64.39 (2/1)	203.37 (6/6/72)	64.39 (2/1/75)
6	Engineering (General) (65)	111.77	+0.5	19.54	7.15	7.46	7.46	111.43	112.18	112.99	110.00	87.32	112.99 (20/5)	45.43 (6/1)	158.59 (4/6/72)	45.43 (6/1/75)
7	Machine and Other Tools (11)	48.51	+0.5	15.36	9.76	11.24	11.09	48.34	48.67	48.98	48.62	36.83	48.98 (20/5)	20.11 (2/1)	135.70 (4/7/66)	19.96 (13/12/74)
8	Miscellaneous (23)	116.71	+0.2	18.94	6.67	7.56	7.53	116.50	116.89	118.38	113.41	97.24	118.38 (20/5)	49.66 (6/1)	177.41 (27/4/72)	49.66 (6/1/75)
9	CONSUMER GOODS (DURABLE) (59)	87.72	+1.5	20.75	7.05	7.11	7.09	86.45	87.32	88.34	85.96	95.88	90.59 (22/4)	38.39 (6/1)	227.78 (21/4/72)	38.39 (6/1/75)
10	Electronics, Radio TV etc. (15)	98.68	+2.4	20.65	5.20	7.01	7.00	96.41	97.82	98.73	96.41	115.88	105.62 (10/3)	44.28 (6/1)	257.41 (19/6/72)	42.85 (13/12/74)
11	Household Goods (15)	139.88	+1.1	30.36	7.59	4.75	4.75	138.33	139.13	139.48	135.87	153.54	146.90 (23/4)	64.53 (6/1)	263.22 (4/6/72)	63.92 (17/12/74)
12	Motors and Distributors (29)	48.42	−0.4	16.58	9.44	9.40	9.33	48.23	48.50	49.43	47.84	46.56	50.55 (22/4)	19.91 (6/1)	170.59 (15/1/69)	19.91 (6/1/75)
13	CONSUMER GOODS (NON-DURABLE) (164)	143.59	+0.5	14.19	5.72	9.92	9.90	142.85	143.22	145.61	141.35	113.30	145.61 (20/5)	61.98 (6/1)	226.08 (16/8/72)	61.41 (13/12/74)
14	Breweries (16)	161.44	+0.6	12.51	6.12	11.86	11.86	160.52	159.63	161.90	155.47	130.76	161.90 (20/5)	75.58 (6/1)	281.87 (28/11/72)	69.47 (13/12/74)
15	Wines and Spirits (8)	167.68	—	13.48	5.58	10.93	10.93	167.89	167.01	171.28	167.16	154.44	171.28 (20/5)	80.42 (6/1)	257.40 (13/7/72)	78.88 (13/12/74)
16	Entertainment, Catering (16)	157.74	+1.6	13.64	7.12	10.79	10.79	155.20	155.88	157.32	151.27	126.51	157.74 (23/5)	55.28 (6/1)	329.99 (12/12/72)	54.83 (9/1/75)
17	Food Manufacturing (22)	154.14	+0.2	13.49	5.06	10.08	10.03	153.84	154.96	156.15	152.48	110.11	156.15 (20/5)	62.05 (2/1)	211.65 (14/11/74)	59.67 (11/12/74)
18	Food Retailing (16)	145.52	+1.0	10.47	4.27	14.01	14.01	144.01	144.21	146.42	140.34	102.76	146.42 (20/5)	57.15 (2/1)	235.08 (15/8/72)	54.25 (11/12/74)
19	Newspapers, Publishing (15)	147.56	+3.0	17.62	6.46	8.52	8.52	143.13	143.01	144.12	139.58	161.62	147.56 (23/5)	56.08 (6/1)	360.29 (18/1/72)	55.08 (6/1/75)
20	Packaging and Paper (13)	105.42	−0.3	21.02	6.26	6.91	6.91	105.70	105.41	107.12	105.79	75.96	107.12 (20/5)	43.46 (6/1)	135.59 (26/4/72)	43.46 (6/1/75)
21	Stores (30)	128.51	—	10.58	5.05	13.95	13.95	128.44	129.54	132.94	129.31	92.73	132.94 (20/5)	52.63 (6/1)	204.59 (16/8/72)	52.63 (6/1/75)
22	Textiles (19)	144.39	+1.1	28.26	6.97	4.11	4.09	142.88	141.53	141.71	139.56	130.30	144.39 (23/5)	62.91 (6/1)	253.72 (17/9/66)	62.66 (11/12/74)
23	Tobacco (3)	190.15	+0.9	17.41	7.01	8.54	8.54	188.62	188.37	199.77	185.85	171.88	199.16 (10/3)	109.92 (6/1)	339.16 (2/8/72)	94.34 (13/6/62)
24	Toys and Games (6)	42.26	—	26.32	7.30	5.19	5.19	42.26	42.84	42.32	41.88	41.51	43.61 (23/4)	20.92 (6/1)	135.72 (15/1/70)	20.92 (6/1/75)
	OTHER GROUPS (92)															
25	Chemicals (25)	180.45	+1.2	19.74	4.95	7.25	7.25	178.36	177.77	177.65	174.94	141.01	180.45 (23/5)	73.14 (6/1)	201.92 (31/1/69)	71.20 (11/12/74)
26	Office Equipment (10)	99.27	+1.4	14.39	5.35	9.35	9.35	97.92	99.45	101.03	94.98	115.89	104.78 (17/4)	45.34 (2/1)	246.06 (1/9/72)	45.34 (2/1/75)
27	Shipping (11)	387.82	+0.6	23.87	6.09	5.11	4.98	385.34	386.72	396.71	382.67	359.28	401.84 (10/3)	194.38 (6/1)	517.00 (5/12/72)	90.80 (29/6/62)
28	Miscellaneous (46)	151.08	+1.1	17.06	5.40	8.25	8.25	149.37	149.88	152.06	147.69	127.52	152.06 (20/5)	60.39 (6/1)	258.83 (2/6/72)	60.39 (6/1/75)
29	INDUSTRIAL GROUP (496)	139.76	+0.7	16.70	5.66	8.61	8.49	138.79	139.33	141.24	137.18	116.36	141.24 (20/5)	59.19 (6/1)	220.17 (1/5/72)	59.01 (13/12/74)
30	OILS (4)	279.85	+1.9	26.30	5.42	4.08	3.80	274.59	275.45	277.92	274.18	223.34	279.85 (23/5)	105.85 (2/1)	451.66 (29/6/69)	87.23 (29/5/62)
31	500 SHARE INDEX	151.59	+0.9	18.08	5.80	7.36	7.21	150.27	150.85	152.81	148.74	125.48	152.81 (20/5)	63.49 (6/1)	227.95 (16/8/72)	63.49 (13/12/74)
32	FINANCIAL GROUP (100)	143.20	−0.5	—	5.04	—	—	142.46	145.25	148.46	143.75	114.80	148.45 (20/5)	56.50 (6/1)	241.41 (11/4/72)	55.88 (13/12/74)
33	Banks (6)	156.79	+2.6	23.60	5.02	5.31	5.51	152.78	154.52	158.66	155.12	129.58	163.58 (23/4)	62.56 (2/1)	288.32 (20/7/72)	62.44 (12/12/74)
34	Discount Houses (9)	152.86	+4.0	—	7.85	—	—	146.95	145.98	142.75	137.98	134.81	159.27 (7/5)	84.13 (6/1)	293.13 (2/6/72)	81.40 (10/12/74)
35	Hire Purchase (5)	99.89	−0.2	24.96	9.17	5.32	4.88	100.08	102.86	106.01	102.57	206.92	134.39 (10/3)	42.81 (6/1)	433.72 (4/5/72)	38.83 (11/12/74)
36	Insurance (Life) (9)	120.76	+0.5	—	5.85	—	—	120.11	121.08	124.41	118.76	94.94	127.97 (23/4)	44.88 (2/1)	194.46 (15/3/72)	44.88 (2/1/75)
37	Insurance (Composite) (7)	118.96	+0.2	—	5.54	—	—	118.74	121.87	123.90	118.30	77.63	123.90 (20/5)	44.47 (2/1)	165.76 (21/4/72)	43.96 (13/12/74)
38	Insurance (Brokers) (8)	205.36	−1.0	9.76	4.17	15.12	15.12	205.45	208.92	211.50	208.28	158.34	211.50 (20/5)	68.96 (7/1)	262.57 (12/12/73)	65.86 (16/12/74)
39	Merchant Banks (19)	86.94	−0.4	—	7.16	—	—	87.25	87.57	88.84	86.87	103.44	94.97 (7/5)	31.21 (7/1)	278.57 (1/5/72)	31.21 (7/1/75)
40	Property (32)	213.80	−1.3	5.84	2.93	38.18	37.20	216.57	223.91	229.71	224.53	168.90	241.22 (22/4)	88.19 (7/1)	357.40 (9/11/73)	56.01 (20/4/65)
41	Miscellaneous (5)	71.50	+0.5	15.92	9.08	9.09	9.00	71.52	73.72	74.24	70.62	96.79	75.78 (23/4)	34.78 (10/1)	303.13 (18/5/72)	33.29 (17/12/74)
42	Investment Trusts (50)	171.86	−0.4	2.92	4.03	34.22	34.22	172.51	173.36	174.52	172.46	128.46	174.52 (20/5)	73.45 (6/1)	245.79 (25/4/72)	71.53 (13/12/74)
43	ALL-SHARE INDEX (650)	149.95	+0.7	—	5.54	—	—	148.87	149.91	152.07	148.02	122.54	152.07 (20/5)	62.16 (6/1)	228.18 (1/5/72)	61.92 (13/12/74)
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (10)	525.45	+1.0	9.87	6.91	12.00	11.47	520.02	531.13	519.13	515.61	410.12	525.43 (23/5)	281.56 (2/1)	555.37 (25/7/73)	84.68 (26/8/65)
45	Teas (10)	90.28	+0.3	21.33	8.86	5.96	5.51	89.97	89.89	89.57	88.37	105.71	90.28 (23/5)	76.76 (10/1)	121.47 (1/5/72)	59.72 (17/10/74)
46	Coppers (3)	461.49	+1.0	42.55	16.36	2.35	2.35	456.93	445.06	442.25	440.85	394.47	480.26 (28/2)	374.38 (22/1)	587.78 (13/7/73)	94.08 (29/4/62)
47	Mining Finance (11)	139.57	+0.3	8.74	5.78	12.48	12.44	139.16	136.12	135.95	134.28	103.57	139.57 (23/5)	80.58 (22/1)	175.90 (22/4/69)	66.31 (30/9/74)
48	Tins (8)	110.39	−0.5	9.24	7.51	13.94	11.98	110.96	110.77	109.66	107.88	95.02	110.96 (22/5)	58.91 (6/1)	125.45 (12/1/73)	54.85 (27/6/71)
49	Overseas Traders (13)	243.55	−1.1	14.27	5.67	8.91	8.89	246.32	246.39	252.23	245.38	—	252.23 (20/5)	97.37 (6/1)	252.23 (20/5/75)	97.37 (6/1/75)

	FIXED INTEREST	Friday, May 23 Index No.	Friday, May 23 Yield %	Thurs. May 22	Wed. May 21	Tuesday May 20	Monday May 19	Friday May 16	Thurs. May 15	Wed. May 14	Year ago (approx.)	1975 High	1975 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	15.11	15.10	15.10	15.09	15.20	15.18	15.18	15.17	13.96	—	—	—	—
2	20-yr. Govt. Stocks (6)	46.89	‡13.80	46.91	47.05	47.05	47.07	47.13	46.93	46.91	51.93	53.09 (20/3)	38.27 (3/1)	115.42 (11/9/63)	38.27 (3/1/75)
3	20-yr. Red. Deb. & Loans (15)	45.64	‡16.11	45.60	45.60	45.55	45.64	45.26	45.25	45.18	48.72	50.68 (21/3)	37.01 (3/1)	113.45 (23/10/63)	37.01 (3/1/75)
4	Investment Trust Prefs. (15)	43.15	16.05	43.09	42.90	42.90	42.77	41.75	41.75	41.75	45.93	46.57 (25/3)	35.35 (3/1)	114.41 (13/9/63)	34.45 (4/12/74)
5	Coml. and Indl. Prefs. (20)	59.35	15.86	59.07	58.45	58.06	57.88	58.01	57.95	57.95	59.70	56.98 (20/3)	48.35 (3/1)	114.95 (7/10/63)	47.67 (6/1/75)

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Miscellaneous Financial	31/12/70	128.06
Engineering (Heavy)	31/12/71	153.84	Food Manufacturing	29/12/67	114.13
Engineering (General)	31/12/71	153.84	Food Retailing	29/12/67	114.13
Wines and Spirits	16/1/70	149.76	Insurance Brokers	29/12/67	96.67
Toys and Games	16/1/70	135.72	Mining Finance	29/12/67	100.00
Office Equipment	16/1/70	162.74	All Other	10/4/62	100.00
Industrial Group	31/12/70	128.20	‡ Redemption yield.		

FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an IBM 370 computer.

A new list of the constituents of the FT-Actuaries Share Indices is now available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By inland post 15p. Commonwealth 18p. Foreign 22p.

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
May 13	May 27	Aug. 7	Aug. 19
May 28	Jun. 9	Aug. 20	Sept. 2
Jun. 10	Jun. 23	Sept. 4	Sept. 16

"Calls" were taken out in Debenhams, Aaronson, Dubilier, Charterhall Finance, International Computer, Dunlop, Ultramar, Lonrho, Town and City and Clayton Dewandre. "Puts" were done in Charter Cons. and Cons. Gold Fields, while "doubles" were arranged in Town and City and the 'B', ICI, Ultramar, Lonrho and Rothmans Intnl.

Industrials							
		Grand Met.	10	Slater Walker	14	Mines	
		G.U.S. 'A'	20	Spillers	7	Anglo Amer.	45
A. P. Cement	20	Guardian	20	Tesco	6	Broken Hill Pty	65
Assoc Leisure	3	G.K.N.	25	Thorn 'A'	25	Cast	9
Barclays Bank	35	Hawker Sidd.	25	Tube Invest.	30	Charter Cons.	20
Beecham	24	House of Fraser	10	Unilever	40	Chart'rh'll Fin	7
Boots Drug	24	Hudson (Wilms	6	Utd. Drapery	12	Cons Gold	22
Bowaters	27	I.C.I.	22	Vickers	18	De Beers Def.	20
B.A.T.	35	"Imps"	7	Woolworths	6	F. S. Geduld	200
British Leyland	1¾	I.C.L.	7			Great Boulder	56
British Oxygen	6	Inveresk	10	Property		Hampton Areas	10
Burton 'A'	9	Legal & General	17	Cap. Counties	7	Hampton Prop.	4
G.R.A. Trust	7	R.H.M.	7	Brit. Petroleum	45	West Areas	56
Gen. Accident	16	Rank Org. 'A'	25	Burmah Oil	11	Western M'ng.	15
Gen. Electric	14	Reed Int'l	25	Shell	26	Zambia Copp	
Glaxo	40			Ultramar	17		

I.G. INDEX
GOLD 172½-175½

CORAL INDEX
Close 356-361

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	15	—	58
Corpns., Dom. and Foreign Bonds	9	3	59
Industrials	465	219	1,062
Financial and Prop.	113	122	383
Oils	13	4	15
Plantations	8	4	37
Mines	43	37	71
Recent Issues	9	11	33
Totals	665	391	1,718

LOCAL AUTHORITY BOND TABLE

Authority (telephone number in parentheses)	Annual gross interest	Interest payable	Minimum sum	Life of bond
	%		£	Year
Barking (01-592 4500)	11½	½-year	1,000	2-5
Belfast (0232 20202)	11½	½-year	300	2-3
Broxb'rne (Waltham X 27933)	12	½-year	1,000	3-5
Burnley (0282 25011)	12	½-year	1,000	3-5
Dudley (0384 211595)	12½	½-year	1,000	3-4
Greenwich (01-854 8888)	12	½-year	500	3-5
Horsham (099 66 2233)	12½	½-year	2,000	3+
Liverpool (051 227 3911)	12	½-year	500	3-5
Reading (0734 55911)	12½	½-year	500	2
Redbridge (01-478 3020)	12½	½-year	5,000	3-5
Sandwell (021 569 2226)	12	½-year	1,000	2-5
Sefton (051 922 4040)	12½	½-year	2,000	3-5
Suffolk Coastal (039 43 3789)	11½	½-year	500	1-5
Thurrock (0375 5122)	11½	½-year	300	1-2
West Yorks. (0924 75234)	12	½-year	1,000	3-4
Wrekin (0952 3571)	12½	½-year	2,000	3-5

U.K. CONVERTIBLE STOCKS 23/5/75

Statistics provided by **data STREAM International**

Name and description	Size (£m.)	Current price	Terms*	Conversion dates	Flat yield	Red. yield	Premium† Current	Premium† Range‡	Income Equ.§	Income Conv.¶	Income Diff.▽	Cheap(+) Dear(−)◇ Current
Acrow Engineers 8pc P. Cv. 92-02	7.38	50.00	●	77-87	15.7	16.0	89.4	88 to 120	16.4	44.3	105.7	+16.3
Alcan Aluminum 9pc Cv. 89-94	12.00	75.00	100.0	76-80	11.9	12.3						
Associated Paper 9½pc Cv. 85-90	1.40	73.00	200.0	76-85	13.6	14.5	39.7	9 to 34	42.2	51.9	17.7	−15.0
Bank of Ireland 10pc Cv. 91-96	10.25	143.00	23.8	77-90	7.1	5.9	20.1	11 to 40	44.7	61.8	14.4	−5.8
BPB 7¾pc Cv. 89-94	5.00	75.00	62.0	72-80	10.5	11.1	22.2	12 to 35	22.3	27.5	8.4	−13.8
English Property 6½pc Cv. 98-03	19.98	187.00	234.0	76-80	3.5	1.9	−10.2	−18 to −2	32.3	23.0	−4.5	+5.7
Grand Metropolitan 10pc Cv. 91-96	121.90	85.00	120.2	73-78	12.0	12.2	10.5	6 to 22	15.6	20.8	6.7	−3.8
Hanson Trust 6½pc Cv. 88-93	4.51	97.50	57.1	76-86	6.7	6.8	12.3	5 to 28	32.6	35.3	3.1	−9.1
Lyons, J. 7½pc Cv. 1981	3.60	81.00	22.7	75-81	9.1	11.9	122.8	110 to 166	14.1	29.1	41.2	−81.6
Mercantile Credit 9pc Cv. 1980	13.14	80.00	138.0	76-80	11.5	15.1	131.9	62 to 142	0.0	29.9	86.6	−45.3
Scottish Automobile 10pc Cv. 86-90	2.00	55.00	166.0	75-85	18.1	19.1	27.4	−5 to 38	41.4	50.6	21.3	−6.2
Tozer, Kemsley 8pc Cv. 1981	7.33	83.00	153.8	74-79	9.7	12.0	25.5	23 to 60	15.6	23.9	12.5	−13.0
Wilkinson Match 10pc Cv. 83-98	11.10	83.00	40.0	76-83	11.9	12.1	45.1	43 to 105	25.6	45.8	35.4	−9.7

● 22 Ordinary "A" shares (non-voting) plus £30 unsecured loan stock.

* Number of Ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent. of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of Ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed pence, is summed from present time until income on Ordinary shares is greater than income on £100 nominal of convertible or the final conversion date, whichever is earlier. Income is assumed to grow at 5 per cent. per annum and is present valued at 15 per cent. per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 15 per cent. per annum. ▽ This is income of the convertible less income of the underlying equity expressed as per cent. of the value of the underlying equity. ◇ The difference between the premium and income Difference expressed as per cent. of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1975 High	Low	Stock	£	+ or −	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
98 9/16	90¼	Savings 3pc '65-75‡‡	98 9/32	.....	3.04	9.59
99⅞	94 11/32	Exch.6½pc 1976‡‡	97¾	.....	6.65	9.53
97¼	92 5/32	Treasury 6½pc 1976‡‡	96⅞	+⅛	6.71	9.25
98½	97	Victory 4pc 1976‡‡	98½		4.08	—
102	96⅞	Treasury 10½pc 1976‡‡	101 5/16xd	+1/16	10.36	9.58
95	86⅞	Treasury 6¼pc 1977‡‡	94½	+¼	6.61	9.53
91¼	86¼	Electric 3pc '74-77	91	.....	3.30	8.47
103 11/16	96⅞	Treasury 11½pc '77‡‡	102 7/16	+⅛	11.23	10.24
88 1/16	84	Treasury 3pc '77‡‡	86 13/32xd	+3/32	3.46	9.11
88⅝	84⅜	Transport 4pc '72-77	87 3/16xd	+1/16	4.55	9.47
96 17/32	90½	Treasury 9pc 1978‡‡	95 3/16	+1/16	9.42	10.84
96 13/16	93¼	Treasury 9pc '78 A‡‡	95 17/32	+3/32	9.42	10.87
100 9/16	96⅝	Treasury 10¼pc '78‡‡	98 17/32	+3/32	10.65	11.05
87⅛	79	Exchequer 5pc '76-78‡‡	85⅝	+⅛	5.84	10.17
103	94 7/16	Treasury 11½pc '79‡‡	100 15/16	+⅛	11.39	11.15
79⅝	71⅝	Treasury 3pc '79‡‡	77	+⅛	3.90	9.63
81	73⅛	Electric 4¼pc '74-79	79¼	.....	5.36	10.29
100 5/16	96	Treasury 10½pc '79‡‡	97 15/16	+⅜	10.72	11.20
79⅝	71	Electric 3½pc '76-79	77⅝xd	+⅛	4.52	9.87
95	84	Treasury 9pc 1980‡‡	92½	+½	9.77	11.11
		Five to Fifteen Years				
79	65¼	Treasury 3½pc '77-80	74⅞xd	.....	4.66	9.89
84½	71	Funding 5¼pc '78-80‡‡	79¼xd	.....	6.60	10.58
75½	66½	Treasury 3½pc '79-81	73	.....	4.86	10.03
91⅛	72⅝	Do 8½pc '80-82‡‡	88½	.....	9.95	11.71
104⅛	86½	Treasury 12pc 1983‡‡	100⅛	.....	12.24	12.37
78	58	Funding 5½pc '82-84‡‡	72⅞	.....	7.76	10.75
85¼	61⅞	Treasury 8½pc '84-86‡‡	81¼	.....	10.89	12.14
73¼	52⅞	Funding 6½pc '85-87‡‡	66⅝	.....	9.62	11.86
76¼	53	Treasury 7¾pc '85-88‡‡	71¼	.....	11.28	12.50
46½	32⅞	Transport 3pc '78-88	41⅝	.....	7.42	12.24
55¼	39¼	Treasury 5pc '86-89	50	.....	10.11	12.75
		Over Fifteen Years				
75½	53¼	Treasury 8¼pc '87-90‡‡	66½xd	.....	12.32	13.42
55¼	41⅞	Funding 5¾pc '87-91‡‡	50⅞	.....	11.48	13.42
97½	89½	Treasury 12¾pc '92‡‡	90⅛	.....	14.28	14.45
54½	40½	Funding 6pc 1993‡‡	48⅝	.....	12.65	14.04
75¼	54⅛	Treasury 9pc '94‡‡	64⅝	.....	13.96	14.53
34⅞	24⅞	Gas 3pc '90-95	30¼xd	.....	9.99	12.74
102	75	Treasury 12¾pc '95‡‡	87⅞	.....	14.55	14.69
71⅛	54¼	Treasury 9pc '92-96‡‡	65	.....	14.24	14.69
32⅞	26½	Redp. 3pc '86-96	29¼	.....	10.24	12.64
69½	53¼	Treasury 8¼pc 1997‡‡	63	.....	14.36	14.75
59⅞	40⅞	Treasury 6¾pc '95-98‡‡	48⅞	.....	13.95	14.57
75⅛	54¼	Treasury 9½pc 1999‡‡	68⅞	.....	14.51	14.78
33⅝	22	Funding 3½pc '99-04	28	.....	13.09	13.87
61⅛	47	Treasury 8pc '02-06‡‡	55⅞	.....	14.61	14.74
42⅞	33	Treasury 5½pc '08-12‡‡	39	.....	14.54	14.64
59⅝	43½	Treasury 7¾pc '12-15‡‡	55	.....	14.78	14.81
		Undated				
29⅝	22⅛	Consols 4pc	27½	.....	15.24	—
27¾	20⅞	War Loan 3½pc‡‡	23⅝xd	.....	14.78	—
27½	22⅞	Conv. 3½pc '61 Aft.	24⅞	.....	14.38	—
22	17½	Treasury 3pc '66 Aft.	20⅛	.....	15.23	—
19¼	14¼	Consols 2½pc	16⅜	.....	15.13	—
16¼	14½	Treasury 2½pc	16¼	.....	15.27	—

**INTERNATIONAL BANK

1975 High	Low	Stock	£	+ or −	Yield Int.	Red.
66¼	58	5pc Stock '77-82	65½	.....	7.80	12.78
96¼	91½	8pc Stock 1976	96	.....	8.33	11.65

**CORPORATION LOANS

1975 High	Low	Stock	£	+ or −	Yield Int.	Red.
86¼	80¼	Birm'ham 9¾pc '79-81	84¼	.....	11.35	13.78
91½	87	Bristol 6½pc '75-77	91	.....	7.14	12.49
87½	82¼	Essex 5¾pc '75-77	87	.....	6.32	12.70
94⅞	90	G.L.C. 6¾pc 1976	94	+¼	7.18	12.13
90½	85	Do 7¼pc 1977	89½	+¼	8.10	12.77
75¼	63	Herts. 5½pc '78-80	70½xd	+¼	7.46	13.54
89½	83½	Liverpool 7pc '76-77	88¾	.....	7.88	12.73
89½	72	Do 9¼pc '80-84	85½xd	.....	11.51	12.50
84½	77¼	Lon. Corp. 6½pc '75-78	83¼	.....	7.82	13.01

COMMONWEALTH & AFRICAN LOANS

LOANS (MISCEL.)

FOREIGN BONDS & RAILS

AMERICANS

S.E. List Premium 85¾% (based on $2.2345 per £)

CANADIANS

S.E. List Premium 85¾% (based on $2.2318 per £)

Conversion factor 0.5692 (0.5452)

††BANKS AND HIRE PURCHASE

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Cont.

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

[illegible]

INSURANCE

[illegible]

MOTORS, AIRCRAFT TRADES

Motors and Cycles

[illegible]

Commercial Vehicles

[illegible]

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY—Continued

[illegible]

SHIPBUILDERS, REPAIRERS

[illegible]

SHIPPING

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRUSTS, FINANCE, LAND

Investment Trusts

[illegible]

Finance, Land, etc.

[illegible]

OILS

[illegible]

RUBBERS AND SISALS

[illegible]

TEAS

India and Bangladesh

[illegible]

Sri Lanka

[illegible]

Africa

[illegible]

TRUSTS—Continued

[illegible]

MINES

CENTRAL RAND

[illegible]

EASTERN RAND

[illegible]

FAR WEST RAND

[illegible]

O.F.S.

[illegible]

FINANCE

[illegible]

DIAMOND AND PLATINUM

[illegible]

CENTRAL AFRICAN

[illegible]

AUSTRALIAN

[illegible]

TINS

[illegible]

COPPER

[illegible]

MISCELLANEOUS

High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
8	3	Burma Mine 17½p	8xd	......	m0.5	—	1.7
56	17	Charterhall 5p	56	......	—	—	—
115	75	Colby Mines $1	75#	......	—	—	—
730	360	Cons. Murch. 10c	720	+20	Q130c	2.2	11.6
53½	29½	Lauresia	41½	+1	—	—	—
19	13	NRD $1	16	......	—	—	—
375	200	Northgate C$1	350	+5	Q65c	1.0	8.5
211	80	R.T.Z.	198	−1	19.9	4.4	3.9
135	47½	Sabina Inds. C$1	114	+4	—	—	—
70	51	Stanford Mines	62	......	—	—	—
£12½	875	Tara Exoln $1	£12	+¼	—	—	—
75	38	Yukon Cons C$1	67	......	—	—	—

NOTES

Unless otherwise indicated, prices are in pence, denominations are 25p and dividends are in net percentage terms. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures: they are adjusted to corporation tax of 52 per cent. and ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- A Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents
- ◊ Figures or report awaited.
- †† Banks and Insurance, reserve allocations may preclude calculation of dividend cover.
- ø Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- § Not comparable.
- ◊ Same interim: reduced final and/or reduced earnings indicated.
- ‡ Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ♣ Regional price.
- ‖ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend, cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment.
A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Figures based on prospectus or other official estimates for 1973-74. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

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FINANCIAL TIMES

Saturday May 24 1975

MAN OF THE WEEK

His word will be final

BY COLIN JONES

IF THE opinion polls are reliable, the chances of the referendum vote being close enough to warrant a complete national recount are fairly remote. This may provide some comfort for Sir Philip Allen, the man upon whom—as chief Counting Officer for the referendum—the decision would rest. But there could easily be pressure for local recounts and on this, or any other dispute arising from the counting of the votes, Sir Philip's word will be final. In contrast to general elections, recourse to the courts has been specifically precluded by the Referendum Act—so as to avoid delaying any longer the decision on Britain's membership of the European Community.

Sir Philip's role, and the respect he manages to command from all sides, could thus be crucial. With 12 days to go, he and his team have still not decided every last detail. Apart from the rules concerning recounts, he is still consulting with the two "umbrella organisations"—Britain in Europe and the National Referendum Campaign—about the guidelines for the observers the two sides will send to the count. A two-day meeting on Wednesday and Thursday this week with 59 of the local counting officers he has appointed (the chief executives of counties in England and Wales and of the new regional and island authorities in Scotland) "revealed a long string of points" on which he has undertaken to send out further advice next week. "By the end of next week" he says, "we hope to be finished—indeed, we've got to be, or else we'll be in a mess."

Accuracy

Although advance planning had been going on in the Home Office—where Sir Philip was permanent under-secretary until his retirement in 1972—and though some attention had been paid to the conduct of referenda in other countries, a complete set of rules has had to be evolved in a matter of weeks for a procedure that is entirely novel to this country. Sir Philip was first sounded out for the job in early April, the Referendum Bill received Royal Assent two weeks ago, and his preparations "were knocked sideways" on April 23 (although he had made some contingency planning) by the decision to have county, rather than national, counting. There has been, he says, "an accumulation of difficulties which have had to be clarified step by step."

He has insisted throughout that accuracy will be more important than speed (unlike at an election count where a margin of error might be tolerable in a safe seat). After the polls close at 10 p.m. on June 5, the votes will be "verified" in each district. This will be done by counting the ballot papers—face down so that the local result cannot be estimated—and the totals matched against the presiding officers' returns. Counting, on a county or regional basis, will begin at 9 a.m. the following day. To ensure accuracy, Sir Philip has laid down that the count will be done twice, that the results match—within a very narrow margin—the verification totals, and that the outcome must be reported to him at his Earls Court HQ in London before the results are publicly announced.

For a man who still finds time for some of his other jobs, Sir Philip gives the impression of being remarkably relaxed. He says he would normally devote about half his time to the Occupational Pensions Board, where he is chairman, and perhaps put in a couple of days a week at the National Council of Social Service (of which he is also chairman) and as a member of two Royal Commissions—Pearson on Civil Liability and Personal Injury Compensation and Salmon on Standards of Conduct in Public Life. (The Security Commission, of which he is also a member, has not been convened since the Jellicoe-Lambton resignations). Switching from one to the other, he says, is rather like being at the Home Office where he was accustomed to dealing with a diverse range of problems in rapid succession—except that the load now, including the referendum, is "only about half that of a permanent under secretary in Whitehall."

No early economic measures—Wilson

BY PHILIP RAWSTORNE

MR. HAROLD WILSON last night virtually ruled out any prospect of a new package of economic measures immediately after the Common Market referendum.

In an interview with Mr. Robin Day on BBC Television, the Prime Minister said: "If there were a package that would counter inflation, we would have introduced it already. There is no simple solution. This has got to be done by agreement."

Talks would be held with the CBI and the TUC to see what measures could be taken by consent.

Asked whether he considered that there was no need for new economic action before the end of July, Mr. Wilson replied "I don't say there is no need. But it's no good asking for a package . . . this is like a child going around asking mummy to do something to stop it raining."

Mr. Wilson said that the Government had to try to solve the problems facing the country by persuasion—"we've got to see how far we can tighten up the guidelines of the social contract."

Proposals put forward by the TUC and the CBI, would be discussed at next month's meeting of the National Economic Development Council.

Questioned about the possibility of statutory pay controls, Mr. Wilson replied: "I say there are no circumstances short of war or something of that kind which would justify this."

"It is not because I am pig-headed about it, it is because it has proved in this country and others not to work.

"I believe the goodwill and co-operation we have had from a very large proportion of industry would disappear overnight and we could very quickly return to the conditions of the three-day week."

Mr. Wilson insisted that the TUC had delivered their side of bargains with the Government previously and that the country could still rely on them to help make wage restraint effective.

Repeating again that he intended to take personal charge of the operation of the Government's Industry Bill, Mr. Wilson said that the CBI must be "living in a nightmare world" if it believed that the Government's policies were intended to kill the private sector.

Questioned about Mr. Anthony Wedgwood Benn, the Prime Minister said: "The cartoonists are having a wonderful time with him. And this is one of the reasons why serious people are not getting down to the real issues of the country"

On the Common Market, Mr. Wilson reiterated that withdrawal would make the Government's economic task "immeasurably more difficult."

But if the referendum verdict was against continued membership, he would "accept the decision and then take the necessary consequences." The Government would have to negotiate immediately with the EEC on withdrawal—"that would be difficult too," he added.

Asked about claims that President Giscard intended to go ahead with economic and monetary union within the six most prosperous EEC countries, leaving Britain behind, Mr. Wilson said: "Those who are prosperous, those who are up and those who are down change very rapidly from year to year.

"By 1980 we shall be on the way to becoming one of the richest countries in Europe with our North Sea oil. People tend to forget that."

Mr. Wilson dismissed any idea that the all-party alliance of pro-Marketeers could be the forerunner of a united non-partisan approach to the Government of the country. "I would rather have a strong Tory Government than a coalition if decisions have got to be taken for this country."

Reshuffle after EEC vote

MR. HAROLD WILSON, who is spending the week-end at Chequers before playing a leading role in the final stages of the EEC referendum campaign, plans a major cabinet reshuffle before Parliament reassembles after the Recess.

The changes would be triggered by a decisive vote on June 5 in favour of Britain's continued membership of the EEC.

Within a few days of such a result, Mr. Wilson is confidently expected to move Mr. Anthony Wedgwood Benn and Mr. Peter Shore, the two most prominent Cabinet anti-Marketeers, from their present posts.

"In spite of the fact that both Ministers have indicated that they would accept a referendum verdict against them, most Labour MPs are convinced the Prime Minister could not allow them to continue to handle sensitive trade and industry relations with Brussels after their anti-EEC campaign.

Mr. Benn's transfer has already been widely and repeatedly signalled during a series of Cabinet policy frictions.

But the Industry Secretary is firmly established as the favourite of the Labour Left wing and Tribune Group MPs have publicly warned the Prime Minister that any attempt to demote him will touch off a fierce party row.

Mr. Ron Hayward, Labour Party general secretary, in a speech yesterday that was generally interpreted as a defence of Mr. Benn, condemned the critics who accused Labour Ministers who implemented the party's policies as "Left wing extremists."

He added: "The last few weeks have seen a campaign by the Press, by the Opposition and by some industrialists to get the Prime Minister to reshuffle his Cabinet.

"Now it is not their business, nor my business, to so advise.

"The appointment of Cabinet Ministers is solely in the capable hands of the Prime Minister So what's the campaign all about?

"Is it a reshuffle of the Cabinet they want, or a sacking?"

Against that background, few Labour MPs believe the Prime Minister will also risk antagonising a wider section of the party and the unions by appearing to treat Mr. Benn or other Cabinet anti-Marketeers harshly.

The Cabinet reshuffle, however is expected to go much wider than these two central figures.

Both Mr. Michael Foot, apparently increasingly weary in the post of Employment Secretary, and Mrs. Barbara Castle, Social Services Secretary, are mentioned as likely candidates for a move.

Mr. Merlyn Rees, the Northern Ireland Secretary, could also be replaced.

He is known to be ready for a change from what is one of the Cabinet's more arduous jobs.

Mr. Reg. Prentice, Education Secretary and target for Mr. Wilson's criticism after a recent reference to trade unionists who "welshed" on the social contract, is another strong tip for a transfer.

So, too, is Mr. Robert Mellish, Government Chief Whip, who has made no secret of the fact that he would prefer not to resume his managerial duties in the Commons after the Recess.

Ford wants Britain in EEC

BY PAUL LEWIS, U.S. EDITOR

WASHINGTON, May 23.

PRESIDENT FORD made it clear to-day that he believes Britain should stay in the Common Market—both for Europe's good and to strengthen the Western economic system.

Although the President emphasised that he did not wish to meddle in internal British affairs, his remarks represent a first breach in the Administration's calculated campaign of silence about the Common Market referendum.

In an interview filmed by the BBC with five European journalists on the even of his departure for the Nato summit in Brussels, President Ford was asked how vital he considered Britain's "participation in Europe."

He replied: "I think it is very important. I don't believe I should get involved in how the vote is going to turn out on June 5... but I think Europe is strengthened by Britain's participation.

"I think our overall Western world economic strength is likewise improved and strengthened by Britain's participation."

The President's remarks caused concern among his officials here, who have warned all along that it might prove counter-productive for the U.S. to urge Britain publicly to stay in the EEC—even though the Administration is appalled by the prospect of withdrawal.

During the interview President Ford gave his full support to the Spanish Government in its efforts to develop a new defence relationship with the European Nato countries. He also predicted a new era of co-operation between White House and Congress on foreign policy, as shown by the Mayaguez affair.

Referendum news Page 11
Spain and NATO Page 17

Du Cann takes new Board post

BY STEWART FLEMING

MR. EDWARD DU CANN, chairman of the Conservative Party 1922 Committee, has taken up an appointment as chairman of the London Australian and General Exploration Company, in which Lonrho, the African trading corporation, has a 29½ per cent. stake.

Mr. du Cann, a director of Lonrho, is replacing Mr. Oliver Jessel as chairman of LAGS and is being joined on the company's Board by another Lonrho director, Mr. Robert Dunlop.

Lonhro acquired its 29½ per cent. of LAGS from Jessel Securities in January, soon after Jessel Securities ran into severe financial difficulties. It was also announced yesterday that Mr. Oliver Jessel had resigned from the Board of Johnson and Firth Brown, another former Jessel Securities associate company. Jessel's stake in JFB was placed with institutions earlier this year.

In March Mr. du Cann resigned as chairman of bankers, Keyser Ullmann, citing a recent increase in his public duties as one of the reasons for his departure.

It was also announced yesterday that Mr. John Clay, deputy chairman of Johnson and Firth Brown, has accepted an invitation to become chairman of the company. Mr. Peter Johnson accepted the chair last Christmas, at short notice, in unusual circumstances and for a temporary period, following the resignation of Mr. Jessel. He will continue his present executive duties as deputy chairman.

In addition to the resignation of Mr. Jessel, Messrs. M. A. Bell, M. V. St. Giles and D. Prescott have also resigned from the JFB Board.

Continued from Page 1

Chrysler offer

said last night it clearly warranted the fullest discussion.

One of the biggest stumbling blocks to a settlement is likely to be the insistence on central bargaining. "We are very determined to have some form of central wage and benefit coordination." Mr. Griffiths declared. But he dispelled any notion of there being an exact parallel with the Ford system by saying that negotiations would remain in thestewards' hands. He promised that full-time union officers would not—as they are at Ford—be brought in.

With the restructuring of wages in terms of job classification, parity commitments and other factors, there would have to be some form of central coordination.

It was impossible to conceive 53 different negotiations and arrive at a situation that took into consideration all those matters.

● Shop stewards at Fords Dagenham plant—hit by a stoppage of door hangers—yesterday urged the Prime Minister to intervene and persuade the company to agree to go to arbitration.

Their letter to Mr. Wilson claimed that Ford's "resistance" to talks indicated that it was "operating under instructions from its multinational headquarters in Detroit and is exploiting the recession in the motor industry."

هكذا أمد الأصل

Citibank prime rate cut to 7%

BY JAY PALMER

NEW YORK, May 23.

FIRST NATIONAL City Bank of New York, America's second largest bank, this morning cut its prime lending rate to large companies by ¼ of a point to 7 per cent., the lowest rate offered by any major U.S. bank since May 1973.

The new rate comes into effect on Monday.

Citibank's widely expected cut, its first since March, is in line with its money market interest rate formula. Over the last few weeks, most key market interest rates have moved sharply lower in response to slack credit demand and the Federal Reserve's easier monetary policy.

While Citibank is acknowledged to be the U.S. banking industry's prime rate trend-setter, to-day's reduction has so far prompted only a few minor banks to lower their rates from 7½ to 7¼ per cent. The larger banks, most of which are now at 7½ per cent., are expected to copy Citibank's change within the next few days.

Dearth

Aside from the recent decline in market interest rates seen since last week's reduction in the Federal Reserve's discount rate, Citibank's move has clearly been influenced by a recent dearth of bank loan demand.

According to the Fed, loans on the books of New York's 12 leading banks fell yet again in the week ending last Wednesday.

Since the beginning of this year such loans have registered a cumulative decline of $3.7bn. (compared with a net increase of $3bn. in the year-earlier period) a trend that would have to be reversed before the expected economic recovery could materialise.

Michael Blanden writes: The dollar recovered slightly in foreign exchange markets yesterday after the widespread official support offered on Thursday against strong downward pressure.

The news of the Citibank prime rate cut brought a slight fall in the afternoon. But apart from a modest purchase of $6.55m. by the West German Bundesbank at the Frankfurt fixing, the market reported that there had been no sign of official intervention in the exchange markets.

With the pressure apparently off the dollar, the gold price also came back to end at $173 an ounce, a fall of $1½, after the sharp rises in the previous two days.

The pound lost 20 points at $2.3260, but its average depreciation from December 1971 levels was unchanged throughout the day at 24.6 per cent.

Talks on power engineers' claim

By Roy Rogers,
Labour Correspondent

TALKS were continuing late last night in a bid to settle pay negotiations for 30,000 power engineers, who have been threatening to strike over a 33 per cent. pay claim.

The Electrical Power Engineers Association threatens to ballot its members on possible strike action, unless it achieves an improvement on a 20 to 31 per cent. offer rejected earlier this month. Ballot paper are due to go out on Tuesday with the result due by June 9.

The engineers claim that a 31 per cent. pay deal for the industry's 105,000 manual workers has eroded EPEA differentials.

Weather

U.K. TO-DAY

MAINLY DRY, but showers near E. coast.

London, S.E., Cent. S., Cent. N. and N.W. England, Midlands
Dry. Sunny intervals. Wind N., light. Max 16C (61F).

E. Anglia, E. and N.E. England
Sunny intervals. Scattered showers. Wind N., moderate. Max. 15C (59F).

Channel Is., S.W. England, Wales
Dry. Sunny spells. Wind N., light. Max. 16C (61F).

Lakes, I. of Man, Borders, Edinburgh, S.W. Scotland, Glasgow, N. Ireland
Dry, sunny spells. Wind N., light. Max. 15C (59F).

N.E. Scotland, Orkney, Shetland
Bright intervals. Showers. Wind N., moderate. Max. 9C (48F).

Aberdeen
Bright intervals. Showers. Wind N., moderate. Max. 11C (52F).

Cent. Highlands, Moray Firth, Argyll, N.W. Scotland.
Dry. Sunny spells. Wind N., light. Max. 13C (55F).

Outlook: Mostly dry. Rather cool.

Lighting up: London 21.27, Manchester 21.45, Glasgow 22.06, Belfast 22.06.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Alexndria.	S	27	81	Luxembg.	S	11	52
Amstrdm.	R	8	46	Madrid	S	22	72
Athens	S	24	75	Manchstr	S	13	55
Bahrain	S	33	91	Melbourne	C	15	59
Barcelona	S	20	68	Mexico C.	S	22	72
Beirut	F	23	73	Milan	C	17	63
Belfast	C	12	54	Montreal	S	29	84
Belgrade	S	26	79	Moscow	F	22	72
Berlin	F	12	54	Munich	C	7	45
Birmgham.	S	12	54	Newcastle	S	11	52
Bristol	F	12	54	New York	S	26	79
Brussels	F	11	52	Oslo	F	16	61
Budapest	S	21	70	Paris	S	13	55
B. Aires	S	20	68	Perth	S	14	57
Cairo	S	32	90	Prague	F	11	52
Cardiff	[illegible]	12	52	Reykjavik	S	15	59
Cologne	C	10	50	Rio de J'o	S	24	75
Copnh'gn	F	10	50	Rome	S	24	75
Dublin	S	13	55	Singapore	S	31	88
Edinb'gh	S	13	55	Stockholm	F	14	57
Frankfurt	F	12	54	Strasbourg	F	14	57
Geneva	S	17	63	Sydney	S	23	73
Glasgow	S	13	55	Tel Aviv	F	22	71
Helsinki	C	10	50	Tokyo	S	23	73
H. Kong	C	26	79	Toronto	S	25	77
Jo'burg	S	21	70	Vienna	C	10	50
Lisbon	S	16	61	Warsaw	C	12	54
London	F	13	55	Zurich	C	13	55

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Ajaccio	S	21	70	Istanbul	S	23	73
Algiers	S	23	73	Jersey	S	13	55
Biarritz	S	16	61	Las Plms.	F	21	70
Blackpool	S	11	52	Locarno	S	20	68
Bordeaux	S	17	63	Majorca	S	23	73
Boulogne	C	10	50	Malaga	S	26	79
Casablnca.	F	21	70	Malta	S	23	73
Cape Town	C	21	70	Nairobi	S	22	72
Corfu	F	25	77	Naples	S	24	75
Dubrovnik	F	23	73	Nice	S	20	68
Faro	S	18	65	Oporto	C	18	64
Florence	S	22	72	Rhodes	S	26	79
Funchal	R	16	61	Salzburg	R	10	50
Gibraltar	S	22	72	Tangier	C	19	66
Guernsey	S	11	52	Tenerife	C	15	59
Innsbruck	R	10	50	Tunis	C	22	72
Inverness	S	14	57	Valencia	S	24	75
I. of Man	S	10	50	Venice	C	21	70

S—Sunny. F—Fair. C—Cloudy. R—Rain.

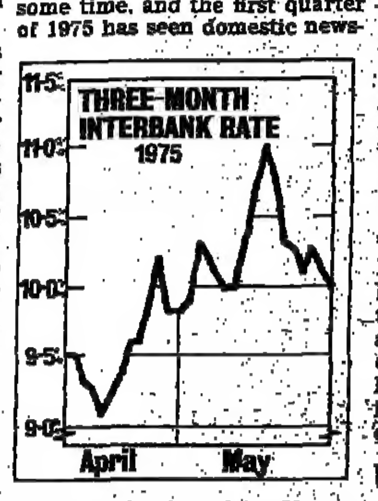
THE LEX COLUMN

Downturn arrives for Reed

The major equity indices yesterday finished very close to their peaks reached on Tuesday, at the end of a placid week which has been comfortingly free of currency and interest rate scares. As the referendum approaches, the market is becoming increasingly confident about the outcome, and the major influence now seems to be limited to company's capital raising decisions: this has been the quietest week for rights issues since the Budget. If all goes according to plan, this situation will presumably change in a few weeks time.

Meanwhile, U.S. prime rates are now moving down to 7 per cent. and with other international rates also moving lower and sterling apparently steady, the trend in U.K. interest rates has also been favourable. But things are not completely serene. Gold shares have been the really big movers this week, with the Index up a tenth, and for once they have been supported by the bullion price rather than just the dollar premium.

Index rose 5.3 to 355.0



Reed International

Reed International is on its profits target for 1974-75 with a rise from £65.5m. to £85.4m. pre-tax, right in the middle of the range of brokers' estimates. This means that the final quarter has duly moved into reverse, and the problem has been a drop of £3.7m. to £9.4m. in profits before interest at home: there was continued, if slower, growth overseas. Thus Reed's earnings trend confirms that profits this year are going to be significantly lower, though the shares managed a rise of 6p to 276p yesterday.

Obviously it is early days yet, but the shortfall this year could well extend to around 30 per cent. which would drop the group back to below the £66.1m. achieved pre-tax in 1973-74. Reed is not going to gain much protection from the fact that its overseas profits ratio has climbed to 55 per cent. before interest: Canada looks to have contributed about £24m. last year thanks to price rises plus high demand, but North American volume patterns are now reversing rapidly. Canadian industry shipments of paperboard are down as much as a third for the first quarter of 1975. And Australia continues to struggle after a particularly unhappy final quarter in 1974-1975 when profits fell a third.

In the U.K. there have been sharp declines in wallpaper and building materials (say 18 per cent. of trading profits last year) while in publishing Reed's disputes at IPC cost it around £4.7m. against £3.5m. in 1973-1974. Finally, the paper and board mills—say a third of overall profits last year—have been running at low capacity for some time, and the first quarter of 1975 has seen domestic newsprint production fall 23 per cent. and declines of 26 per cent. in packaging boards.

As for the group balance sheet, the deterioration here is reflected in a rise in stocks from £129m. to around £200m. at March 1975, while Reed now has net short-term borrowings of £18m. whereas a year ago it had a net cash position of £12m. The shares yield 5.8 per cent and cover extends to more than four times.

See also Page 18

Hutchison

Even by Hong Kong standards, yesterday's news from Hutchison International was a little unconventional: the group reported a HK$130m. loss for 1974-75, and in the same breath announced a HK$178m. rights issue. The group considers it "essential" that its borrowings be reduced, and the signs of strain are evident in the way that the issue has had to be underwritten at par (HK$1) against a share price of HK$2.65. Yet needless to say, the immediate reaction was not all bearish.

After all, Hutchison's financial problems were no secret. The previous year's profits of HK$176m. relied heavily on own particular treatment of investment gains and losses, and substantial losses had already been forecast for 1974-75. Whereas the Hong Kong market has rallied back to within about a third of its 1974 peak, Hutchison is still roughly ... per cent. below last year's high. The fact that this issue has got off the ground at all, underwritten by the merchant banking arm of the Hong Kong and Shanghai Bank, may be read as some kind of vote of confidence.

However, the group has already raised over HK$400m. via rights issues and placings over the past four years, which compares with a current market capitalisation of just HK$... and although it now seems to be making bullish noises about the current year, as recently as last March it was promising a "difficult" 1975. So shareholders will want to follow the lead of Slater Walker, which has over 2m. shares, and study the documents before coming to any decision. Meanwhile, the ... can speculate about what would have happened if the mooted link with Burmah Oil had got off the ground last summer.

Ultramar

A lower tax provision is the main explanation for Ultramar's first quarter earnings gain from £3.1m. to £3.5m., but the feature of the figures is the way that a marked improvement in margins has offset a 31 per cent. decline in sales. Product prices remain flat in North America, and the Quebec refinery is still running well below capacity. But the Californian and Newfoundland refineries have done well, and margins have been very healthy in U.K. retailing where the group increased its outlets by about a fifth during the three month period. And sales last year were inflated by heavy trading in crude oil.

Elsewhere, the shipping side is still making profits and Burmah has apparently made no attempt to renegotiate its charter on two tankers of 80,000 tons or so. So the group appears to be on target for an earnings gain of perhaps a tenth to about £13m. At 200p, the shares have outperformed the market by about a quarter over the past month and may need a little time for consolidation at a level which has seen plenty of turnover over the past two years: the market capitalisation is £61m.

See also Page 18

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